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The Department of State bulletin

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The Department of State BULLETIN, a weekly publication issued by the Public Services Division, provides the public and interested agencies of the Government with information on developments in the field of foreign relations and on the work of the Department of State and the Foreign Service. The BULLETIN includes selected press releases on foreign policy, issued by the White House and the Department, and statements and addresses made by the President and by the Secretary of State and other officers of the Department, as well as special articles on various phases of international affairs and the functions of the Department. Information is included concerning treaties and international agreements to which the United States is or may become a party and treaties of general international interest.

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NATO Council Welcomes Germany, Reviews International Political Problems

Following are the texts of a statement by Secretary Dulles at the opening session of the North Atlantic Council at Paris on May 9 and the final communique issued on May 11.

STATEMENT BY SECRETARY DULLES

This occasion will be long remembered. The entry of the free people of Germany into the Atlantic association of nations is an event of historic significance. We see here a demonstration of the capacity of the Atlantic peoples to submerge ancient differences in order the better to secure the virtues of Western civilization.

There is no tolerable substitute for peace in this world. But we all know from bitter experience that peace is not achieved merely by desiring it. Lasting peace depends upon dedication to principles of justice. Also there must be protective force to assure that these principles may take root, spread, and bear their good fruit.

Our peoples, represented here today, are indeed dedicated to lofty principles. We believe in the worth and dignity of man and in his right to think and act in accordance with the dictates of his own mind and conscience. We believe in tolerance and in self-restraint and self-control which assure to others the opportunities which each desires for himself.

These principles are, however, challenged, so they need the protection of force. And since the challenge is formidable, they need the protection of strong force.

No one of our nations, alone, can provide adequate protection without a degree of militarization which would consume much of what we would preserve. Therefore we have decided to combine our resources for the common cause. We now welcome to our company the Federal Republic of Germany. We rejoice that the defense of freedom is thus enlarged and strengthened.

FINAL COMMUNIQUE

The North Atlantic Council, under the chairmanship of Mr. Stephanos Stephanopoulos, Foreign Minister of Greece, met in Ministerial Session in Paris on May 9th, 10th and 11th, 1955.

I

To welcome the accession of the Federal Republic of Germany to the North Atlantic Treaty, the Council held an opening public session. In speeches made on that occasion, the texts of which have already been made public, Ministers stressed the significance they attach to the entry of the Federal Republic as a democratic and sovereign state into the North Atlantic Community. The Federal Chancellor, replying to the welcome extended him by his colleagues, emphasised the full harmony existing between the objectives of the North Atlantic Treaty and the ardent desire for peace, security and freedom felt by the German people including the eighteen million in East Germany.

II

The Council reaffirmed the purely defensive character of the Atlantic Alliance. It recorded its deep satisfaction at the entry into force of the agreements which establish Western European Union and which promote peace and provide specific safeguards, including the control of armaments. The Council also noted the valuable mutual support made possible by close collaboration between NATO and Western European Union in their respective fields of activity.

The Council welcomed the declarations made by the Ministers of member governments signatory to the Italian Peace Treaty recalling the active part taken by Italy in the progress of Atlantic

and European cooperation, and reaffirming that various discriminatory aspects of that Treaty were considered to be inconsistent with the position of Italy as an ally.

III

The Ministers examined major aspects of the international situation within and beyond the NATO area.

They discussed a report on the current negotiations regarding the Austrian State Treaty, and welcomed the indications that the Soviet Union may now join in concluding such a Treaty long sought by the Western Powers.

They were resolved to continue the policies followed heretofore in building and maintaining the strength and unity of the West.

The Council welcomed the initiative of France, the United Kingdom and the United States in proposing to the Soviet Union negotiations to find means for resolving outstanding issues. The Council hoped that this initiative would lead progressively to agreements which would remove sources of conflict and contribute to the security and liberty of all peoples. In particular, the Council hoped that such negotiations might help to bring about the peaceful unification of Germany in freedom, and promote progress toward reduction, under effective safeguards, of armaments and armed forces. The Council emphasized that this process of negotiation required careful preparation, and must be pursued with patience and determination.

The Council also reviewed the situation in the Middle East and Far East.

The Council received reports on the conclusion of various security pacts in these areas, including the Manila Pact and the Turco-Iraqi Pact. The Council welcomed measures taken to strengthen the defence of the Middle East and Far East areas.

A report was made to the Council on the Bandung Conference. The Council expressed the hope that there would be a cessation of hostilities in the Far East and no further resort to force, since this would so clearly endanger the peace of the world.

IV

Ministers expressed their satisfaction that the procedures followed in the Council had enabled them to have frank and free discussions and a thorough exchange of views. These discussions

constitute a most significant proof of the solidarity of the Alliance and show the great value of the Council as a forum for political consultation on matters of common concern. They are resolved to continue to follow these procedures, which enable the member governments to develop their policies on common principles.

Western Powers Propose Meeting With U.S.S.R.

Following is the text of a U.S.-U.K.-French note delivered at Moscow on May 10 to the Ministry of Foreign Affairs of the U.S.S.R.

Press release 257 dated May 10

The Governments of France, the United Kingdom, and the United States believe that the time has now come for a new effort to resolve the great problems which confront us. We, therefore, invite the Soviet Government to join with us in an effort to remove sources of conflict between us.

We recognize that the solution of these problems will take time and patience. They will not be solved at a single meeting nor in a hasty manner. Indeed, any effort to do so could set back real progress toward their settlement. Accordingly, we think it would be helpful to try a new procedure for dealing with these problems.

In view of their complexity and importance, our suggestion is that these problems be approached in two stages. We think it would be fruitful to begin with a meeting of the Heads of Government, accompanied by their Foreign Ministers, for an exchange of views. In the limited time for which the Heads of Government could meet, they would not undertake to agree upon substantive answers to the major difficulties facing the world. Such a meeting could, however, provide a new impetus by establishing the basis for the detailed work which will be required.

For this purpose the Heads of Government could devote themselves to formulating the issues to be worked on and to agreeing on methods to be followed in exploring solutions. We further propose that the Foreign Ministers, to assist the Heads of Government in their task, should come together shortly in advance of the meeting of the Heads of Government and at the same place.

This first stage would lay the foundation for

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the second stage in which the problems would be examined in detail by such methods, organs, and participants as it appears will be most fruitful according to the nature of the issues. This work should be started as soon as practicable after the meeting of the Heads of Government.

This procedure would facilitate the essential preparation and orderly negotiation most likely to bring about agreements by progressive stages. The important thing is to begin the process promptly and to pursue it with patience and determination.

We hope that this proposal will commend itself to the Soviet Union as a useful basis for progress toward better relations between us. If the Soviet Union agrees that an early meeting of Heads of Government to explore such a program would be useful, we suggest that our Foreign Ministers settle through diplomatic channels or otherwise upon a time and place for such a meeting. The forthcoming meeting of the Foreign Ministers at Vienna for the signing of the Austrian State Treaty might provide an opportunity for preliminary discussion of this proposal.

Ambassadors Complete Work on Austrian State Treaty

Text of Communiqué¹

The conference of the Ambassadors of the Union of Soviet Socialist Republics, the United Kingdom, the United States of America, and the French Republic, with the participation of representatives of Austria, has successfully completed its work on the text of the state treaty for the reestablishment of an independent and democratic Austria. Full unanimity has been reached on all articles of the draft treaty.

The Ambassadors of the four powers and Austrian representatives will meet at 9:30 A. M. tomorrow to consider the technical questions connected with the correlation of the treaty texts in all four languages.

At the end of this week, the Foreign Ministers of the Union of Soviet Socialist Republics, the United Kingdom, the United States of America, and the French Republic, with the participation

of the representatives of Austria, will meet in Vienna for the examination and signature of the Austrian state treaty.

NATO Permanent Representatives Visit American Installations

The Department of State announced on May 13 (press release 263) that the Permanent Representatives of the North Atlantic Council, the supreme authority of the North Atlantic Treaty Organization, would arrive at Washington on May 17 for a 3-day official visit. The party will include a representative of the Government of the Federal Republic of Germany, which took its seat on the Council at the ministerial meeting at Paris on May 9.

Other Council members, each of whom holds the personal rank of ambassador, include the following:

Belgium—André de Staercke
Canada—L. D. Wilgress
Denmark—J. A. Vestbirk
France—Alexandre Parodi
Federal Republic of Germany—(to be named)
Greece—Georges Exintaris
Iceland—Hans G. Andersen
Italy—Adolfo Alessandrini
Luxembourg—Nicolas Hommel
Netherlands—A. W. L. Tjarda van Starkenborgh Stachouwer
Norway—Arne Gunneng
Portugal—José Calvet de Magalhães
Turkey—Fatin R. Zorlu
United Kingdom—Sir Christopher Steel
United States—George W. Perkins

Members of the NATO International Staff in the party include Maj. Gen. George M. de Chassey, Standing Group Liaison Officer; Lord Coleridge, Executive Secretary; Geoffrey Parsons, Jr., Director of Information; and Robert G. Barnes, Deputy to the Executive Secretary. In the absence of Lord Ismay, Secretary General of NATO, who is unable to make the trip because of ill health, the party will be headed by the Netherlands Representative, A. W. L. Tjarda van Starkenborgh Stachouwer, senior member of the Council.

The Permanent Representatives of the Council are responsible for carrying on the day-to-day business of the Atlantic alliance at NATO's civilian headquarters at Paris. They represent their

¹ Issued by the U.S., U.K., French, and Soviet Ambassadors at Vienna on May 12.

respective governments in formulating NATO policies, directing NATO civilian activities, providing political guidance to NATO military authorities, and making decisions on other problems that may arise between the periodic meetings of the Council at the ministerial level.

The visit to Washington will be one feature of the Council's first trip to North America to inspect NATO defense installations, headquarters, and organizational arrangements on this side of the Atlantic. Before they reach Washington, the Council members will visit the Keflavik Airforce Base in Iceland and NATO's Atlantic Command headquarters at Norfolk, Va. During a 2-day stay at Norfolk they will inspect naval ships and installations and participate in conferences with Adm. Jerauld Wright, Supreme Allied Commander Atlantic (SACLANT).

At Washington the Council will meet with NATO's top-ranking military planning agencies, the Standing Group and the Military Representatives Committee, which have their headquarters at the Pentagon. The party will then go to Montreal, Canada, to visit North American air defense installations.

Four Powers To Discuss East German Road Tolls

Following are the texts of letters exchanged by James B. Conant, U.S. High Commissioner for Germany, and Soviet High Commissioner G. M. Pushkin.¹

Ambassador Conant to Mr. Pushkin, May 2

Hicog press release dated May 2

I have received your letter of April 30, 1955 in which you indicate your readiness to accept my proposal for a meeting to discuss the problem arising from the imposition by the East German authorities of exorbitant increases in the charges payable for the use of roads in the Soviet Zone by vehicles not registered in that zone.

I cannot accept that this matter, insofar as it concerns traffic between the Federal Republic and the Soviet Zone and between the Federal Republic

¹ A similar exchange took place between Mr. Pushkin and the British and French High Commissioners.

and Berlin, is solely within the responsibility of the East German authorities. On the contrary, in view particularly of the four-power agreements of May and June, 1949, I must insist on the responsibility of the representatives of the four powers in Germany regarding this matter which directly affects the normal functioning of such traffic.

In the light of the foregoing, I suggest that we meet to discuss this matter on May 7 at 3 p. m. in the Allied Control Authority Building in Berlin or, should you prefer, in your office.²

Mr. Pushkin to Ambassador Conant, April 30

I hereby acknowledge receipt of your letter of April 15 regarding the change in tariffs for the use of roads in the German Democratic Republic.¹ In connection with this letter, I consider it necessary to draw your attention to the circumstance that the question of tariffs on roads of the German Democratic Republic relates to the competence of the government of the German Democratic Republic, and it hence follows that it is up to the German Democratic Republic to settle the matter by means of immediate negotiations between appropriate representatives of the German Democratic Republic and the German Federal Republic. It also follows that one should take into account that the rise in tariffs effected by the Ministry of Transport of the German Democratic Republic is a basic measure, to the extent that the German Democratic Republic authorities bear greater expenses for the maintenance of roads, bridges, and for handling traffic on the German Democratic Republic highways used by West German and West Berlin auto transport. Furthermore, the rise in tariffs effected in the German Democratic Republic does not affect the auto transport of the occupation troops of England, France, and the U.S.A. stationed in West Berlin, for, as before, this auto transport is free from payment of the fees mentioned.

If you nevertheless consider the conduct of a meeting of the four High Commissioners on this matter desirable, then, taking into account the above, there is no objection to such a meeting from the Soviet side.

² In subsequent correspondence it was agreed to hold a meeting in Mr. Pushkin's office on May 20.

¹ BULLETIN of May 9, 1955, p. 736.

Our Policies in Asia

by Deputy Under Secretary Murphy¹

The theme which you have chosen for your meeting is "The Challenge in Asia." Certainly there is no theme more appropriate and timely in terms of the world problems we face today in the field of foreign policy. There is no area where our problems are more complex, more difficult of solution, than in Asia. There is no area where America has higher stakes in the successful resolution of the issues which face us. That Americans are equal to the task, I have no doubt. Our country can meet the test in Asia only through the wisdom, the ingenuity, and the patient understanding of all our people. Perhaps a simple review of the principal elements of our Asian policy may inspire confidence that your Government in cooperation with other friendly governments is meeting the present challenge in Asia in realistic and effective ways.

There is a story about an Asian potentate and his army back at the turn of the century. This particular monarch was anxious to impress his allies and his enemies with his armed strength. He announced that, on the day on which his kingdom celebrated the New Year, his entire army of 30,000 would parade before him and receive their New Year's gifts. The occasion was a brilliant one, with the diplomatic corps in full attendance. Everyone knew he had an army of about 5,000 men and wondered how he would swell the ranks. The parade was superb. First came a cavalry of troops in the breastplates and plumed helmets of the third Napoleon. Then came some glittering uhlands. Then an infantry squadron wearing what were unmistakably the helmets of the New York fire department. So it went until the full 30,000 had passed. Long before, despite fresh colonels

with each batch, the truth had emerged: The original 5,000, with suitable changes of uniform, had made the circuit of the parade ground six times.

The position of the United States is the direct opposite of that of the Asiatic potentate in the turn-of-the-century story. He tried vainly to impress with might and power he did not possess. He bluffed. He was, indeed, a paper tiger. We have the power, superb manpower, industrial and economic might, resources, military strength, and powerful deterrents both conventional and unconventional. Because of this reservoir of strength, in close alliance with the strength of the free nations of the world, we can have what President Eisenhower has called for—the courage to be patient. We can be slow to anger, as Secretary of State Dulles has recommended.

Chinese Communist Proposal for Negotiations

At the present time we have reason to believe that there are grounds for encouragement along the road ahead. Recently, at the conclusion of the Bandung conference, the Chinese Communists in the person of Chou En-lai felt obliged to make a public proposal for negotiations with the United States on questions which have led to a tense and dangerous situation in the Far East. Chou said the Chinese people are friendly to the American people and do not want war. It may be significant that Chou's proposal was made in the presence of the 29 Asian-African nations represented at Bandung. There the Chinese Communists found no support for their announced program of seizing Formosa by force. They were confronted instead by the powerfully expressed opinion of the free nations present who spoke up in favor of peace and against aggression and subversion. It is possible that the Communists may realize that a policy of relying on force was a policy which it

¹ Address made before the World Affairs Forum of the Foreign Policy Association of Pittsburgh, Pa., on May 5 (press release 243).

was not in their best interests to follow. The recent Soviet overtures toward the liberation of Austria support this prospect.

The test of the Chinese Communist proposal is whether it may lead to a cease-fire in the area of Formosa. Our great and immediate concern is whether war is to be forced upon us. The interests of the United States in this matter are of utmost gravity because we have a treaty obligation to defend Formosa, backed by a congressional resolution which received an overwhelming majority. Thus, a cease-fire is an indispensable first step in the avoidance of war.

Communist Threat to Formosa

The Communist threat of war hangs heavy over the Formosa area. The Chinese Reds continue a very large military buildup on the mainland opposite Formosa. They are increasing their air capabilities. They have conducted a violent propaganda campaign to the effect that they were going to take Formosa by force. Along the so-called offshore islands there have been continuous Communist probing attacks by artillery. These attacks are important because the Communists have stated in effect that the islands are stepping-stones to an assault on Formosa.

We will not, of course, enter into any negotiations dealing with the territories or rights of the Republic of China except in cooperation with that Government. However, we intend to find out whether, in fact, there is any substance to the Chinese Communist proposal.

This willingness to explore all possible roads to an easing of international tensions is in the great American diplomatic tradition. It stems from strength, not weakness, and out of a knowledge of war and a hatred of war. It has as its objective the great goal of lasting world peace—a peace for which, as the President has said, there is today no acceptable alternative.

Before attempting to analyze the main elements in our Asian policy, I should like to emphasize what no doubt is clear to most of you—that it is a fundamental mistake to think of Asia as an entity. This vast area comprehends a sweeping arc from the maritime provinces of Russia down through Japan and China, through the Southeast Asian Peninsula and its adjacent islands, on through Ceylon, Pakistan, and India and up through the Middle East. Asia represents not a

unity but an enormous diversity of ethnic origins, cultures, religious beliefs, and traditions. Migrations have taken place in Asia since the dawn of time, so that the presence of minority groups is quite common. In contrast to Japan and Korea, where the national languages alone are spoken and the people are homogeneous, there are nations like India where a dozen major languages and scores of local dialects are spoken. Economies vary widely from the advanced industrial and trading complex of Japan to the relatively simple agricultural economies which are found in many of the other Asian countries. The political attitudes of the Asian nations are also characterized not by uniformity but by diversity and even by deep-seated conflict on some issues. Certain of the nations must be restrained from incendiary aggressive actions. Others are so determined to pursue an independent neutral course that they refuse to undertake what we regard as minimum defensive measures. Among the free nations of the area there is not even a consistent pattern of diplomatic recognition. This is particularly true on the question of recognition as between Communist China and the Government of the Republic of China on Formosa.

This lack of homogeneity in Asia, this pervasive diversity, is not always a pleasant fact to deal with, but it is a fact which we must take fully into account in the process of policy formulation. Fundamentally, of course, our policy in Asia, as elsewhere in the world, is designed to protect and promote the security and welfare of the American people. We do that in Asia primarily by assisting the friendly nations there to build up their strength so that their independence can be preserved against all efforts to destroy it. However, from a practical standpoint, our approach in Asia takes the form of a number of policies, each carefully cut to the measure of the specific situation we face. In this sense, our "Asian policy" is really a combination of many policies formulated in terms of realistic situations but designed to encourage national independence, economic improvement, friendly cooperation with the U. S., and peace.

Nationalism and Anticolonialism

Having stressed the diversity of the Asian scene, let me now further emphasize it by offering you a contradiction in the form of a single factor which

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is universal to the area. This factor is nationalism, a force which has been fundamental in shaping the course of events throughout the length and breadth of Asia in our time. Nationalistic sensitivities are an important factor in our dealings with all of the Asian nations, even those which are most friendly with us. Nationalism played a pivotal role in the negotiation of our security agreement with Japan, for that agreement called for the stationing of U. S. forces on the soil of a proud and sensitive people. Nationalism figures in the determination of the Korean people to unify their peninsula and in the magnificent performance of the South Koreans when their homeland was invaded from the north. In a different way, nationalism is a factor in the hesitancy of certain of the Asian nations to accept U. S. aid. It is a basic motivation of the friendly Vietnamese Government of Premier Diem. It even accounts in part for the rise of Ho Chi Minh in his guise as the liberator of Viet-Nam. It animates the determined neutrality of India.

To these powerful nationalistic motivations is linked a sometimes extreme anticolonialism. This is a factor which the Communists have exploited with cunning skill. Yet it is an attitude—a neurosis, if you will—with which the United States of America perhaps more than any other of the great nations of the world can wholeheartedly sympathize. For it was not so very long ago in terms of history that we took up arms to free ourselves from tyranny. And, very early in our history as a nation, we came to realize that our own independence was not enough. By the Monroe Doctrine we announced that we would not tolerate further European colonization or permit the extension of despotic political systems any place in the Western Hemisphere—a brave doctrine, indeed, when you remember that at the time we were about 50 years short of being able to back it up.

Our tradition of opposition to absolutism and empire has created strong bonds with many Asian peoples. And our deeds have shown that we were in earnest. We threw in our lot against the carving up of China by the European monarchies. We convinced the Filipinos that the main objective of the American administration was their independence. We raised our voice against the abuses of the prewar regimes in Asia and refused to countenance the extension of Japan's imperial rule over China in the 1930's. We freely renounced

our extraterritorial privileges in China, and we made the liberation of Korea a World War II objective.

The record, over a long period, is a consistent one. By 1945, many of the Asian nations, emerging at last from the long twilight of colonialism, looked to us for leadership and for guidance. In the decade that has passed since then, our relations with Asia have become vastly more complicated, in part because they have become more extensive and more intimate. Before World War II we had official relations with 6 Asian nations. Now we have relations with 26. Our economic and technical aid programs, our military aid programs, our joint membership in international bodies like the United Nations and its subsidiaries, our interlocking commercial interests—all these have brought us into much closer contact with the peoples of Asia with each succeeding year.

The Bandung Conference

To some Asians our motives remain suspect, but there are reasons to believe that the masses of Asia respect us. In many ways the Bandung conference last month, at which 29 Asian and African nations met for the first time to discuss matters of mutual interest and plans for mutual progress, was a heartening affirmation of that confidence. I am sure you are all familiar with the outspoken espousals of the free-world cause and the outright condemnations of communism which were expressed at Bandung by the astute statements of the leaders of such countries as Iran, Iraq, Pakistan, Turkey, Ceylon, Thailand, and the Philippines. Those vigorous speeches were obviously sincere manifestations of nationalism and of a determination to defend the principles of independence and freedom. They were fully reported by the free press and warmly received throughout the free world. Significantly, the Communist world did not repeat them by press and radio to its enslaved peoples.

There is no doubt that those speeches were effective, for the final communique of the conference, while still reflecting the vestigial fears of Western imperialism, stated that the conference had agreed "in declaring that colonialism in all its manifestations is an evil which should speedily be brought to an end." Thus the conference condemned the new colonialism of communism as well as the outmoded 19th-century variety. The com-

muniqué also recognized the principle of "respect for the right of each nation to defend itself singly or collectively in conformity with the Charter of the United Nations." This was an endorsement of the collective security principle which is the foundation for so much of our effort in Asia and elsewhere to deal with the problem of aggression.

Here is progress indeed. And there is one more quotation from this interesting final communiqué worth mentioning—a credit to the United States under the heading entitled "Economic Cooperation" saying:

It was further recognized that assistance being received by certain participating countries from outside the region through international or under bilateral arrangements had made a valuable contribution to the implementation of their development programs.

This was a recognition by the participants that foreign economic aid programs, such as those of the United States, are a welcome and constructive kind of international activity.

The significance of those resolutions is even greater when you consider that they were approved unanimously by the conference. I think that they demonstrate how close our own policies are to the spirit which prevailed at Bandung. As I have pointed out, ever since the swaddling days of our own liberty, America has been deeply unsympathetic to colonialism. The encouragement of nationalist aspirations is simply the other side of the same coin, and this has been our consistent policy in Asia as elsewhere in the world.

Recent Developments in Viet-Nam

The latest example of such encouragement has been our consistent support of the independence of the Government of Free Viet-Nam at a time of very great stress and strain in that outpost of freedom. With our ally, France, we are making every effort to help the Government of Viet-Nam resolve its problems. The present Government, headed by Premier Diem, is confronted by a superhuman task—that of forming a government in a newly independent country, long accustomed to colonial administration and recently split by a military dividing line as a result of the Geneva Accords. The North is occupied by the Communist forces of Ho Chi Minh. At the same time, Saigon has had to provide housing and a means of livelihood for more than 500,000 refugees who have fled the Communist terror in the North—rehabilitate an

economy dislocated by war and partition of the country—pacify large areas recently vacated by the Viet Minh and still covertly infiltrated with many Viet Minh agents—and train a loyal Vietnamese army. Though any one of these would have been a formidable task for a newly independent and untried government, Free Viet-Nam has had to contend in addition with the problem presented by two politico-religious sects accustomed to exercising complete autonomy in their respective areas of control and having their own armies, and one group of a gangster nature, the Binh Xuyen, which not only controlled its own army but the police of Saigon as well.

In his own country, in the United States, and many of the free Asian countries, Premier Diem is acquiring stature as a courageous nationalist, fighting against staggering odds to achieve the unity and independence of his people. The courageous struggle of the Vietnamese to work out their destiny and to formulate a true sense of national interest and purpose merits the continued support of the United States and the entire free world. The United States has, amid all the recent trials and tumult, kept clear its position of friendly support for the legal government of Free Viet-Nam of which Ngo Dinh Diem is Premier. This is consistent with our historic policy of supporting the aspirations of the world's peoples for freedom and independence.

Collective Security in the Pacific

I have mentioned the support of the Bandung communiqué for the collective security principle which is the basis for so much of our effort in Asia. Actually, the implementation of the principle is a complex problem in Asia, for circumstances there have not been readily conducive to the establishment of collective security arrangements. Newly formed nations usually are wary of formal commitments with powers which once held them in colonial control or which they associate with that control. Progress has been made. We have concluded bilateral defense treaties with Japan, Korea, the Philippines, and a trilateral one with Australia and New Zealand. Only very recently a bilateral treaty with the Republic of China has been signed and sealed.

During the period when these various alliances were forming, an event occurred which exerted a powerful leverage in Asia. This was the partition

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of Viet-Nam after the defeat of the free forces there which was dramatized by the capitulation of Dien-Bien-Phu. The need for collective security became more apparent to all concerned. One result was the eight-nation meeting at Manila early last fall, and the Manila Pact and Pacific Charter which emerged from it.² The pact, as you know, binds eight nations, Asian and non-Asian, of Southeast Asia together against direct aggression and indirect subversion as well, and throws a mantle of protection over the new nations of Laos, Cambodia, and Southern Viet-Nam.

The Bangkok meeting of the Council of the Manila Pact signatories last February was a first step to put flesh on the bare bones of the pact. In addition to action on the military aspects of the treaty, it was decided that experts would meet soon to discuss ways of improving economic and social conditions throughout the treaty area.³

The Northern Tier

On the other side of the Asian land mass there is forming the Northern Tier for the defense of the Middle East—an indigenous effort that is moving forward at a good pace. Turkey and Pakistan, for example, have signed a formal agreement to discuss mutual problems of defense.⁴ More recently Turkey and Iraq have joined in a defense pact which Pakistan has been invited to join. We have ourselves reached military aid agreements with Turkey, Pakistan, and Iraq and have a continuing agreement with Iran. Also, this Middle Eastern defense arrangement is related to two others in Europe. There exists the Balkan Alliance, which the United States encouraged—a military pact between Greece, Yugoslavia, and Turkey. Greece and Turkey, I need hardly remind you, are members of and invaluable to NATO. Finally, Pakistan is a member of the Manila Pact grouping.

Asian Economic Development

The problem of economic development ranked high on the agenda at Bandung. One of the most important forces in Asia today is the widespread insistence that the Asians, as well as the people of the West, must increasingly enjoy the better life which technical and industrial advancement

makes possible. This your Government long ago recognized and took constructive action.

More recently the Communists became aware of this. Speaking in the soft voice of economic betterment, their recent overtures find a response in countries where hunger and poverty are often age-old facts of life or where export markets are a vital necessity to the national well-being. To Ceylon they may say, we will buy your rubber; to Burma, we will buy your rice; to India, we will build you a modern steel plant—which the Indians will pay for—so that you can appreciate the wonders of industrial design and production under communism, and profit thereby.

Asian demand for economic and social betterment is a pivotal point in determining the future political orientation of the peoples of the area. That is why our programs of economic and technical assistance are geared in Asia along with our efforts to assist the Asians in building defenses against aggression.

United States assistance to Asia is not designed simply to counter Communist gestures in that region. We do not see this as a contest to see who can gain the most gratitude. In the first place, Communist gestures toward technical aid to non-industrial areas are mainly gestures, designed for propaganda effect. Even more importantly, U. S. efforts to help free nations strengthen themselves are positive efforts; they are good in themselves; they would be right under any circumstances. We are not merely working against something; we are for freedom, the dignity of the individual, and better standards of living everywhere.

One most important point should be kept in mind in thinking about the problem of economic development for the Asians. In contrast to Europe, where the principal task of the Marshall plan was to restore and regenerate an already existing industrial system, in much of Asia economic development must start at rockbottom. Our programs there must largely emphasize the spread of basic technical skills without which developmental plans can have no effective implementation. Accordingly, our economic assistance programs in Asia are based upon long-range planning in contrast to the relatively short-range, emergency nature of our reconstruction effort in Europe. We will take full advantage of existing regional organizations, such as the Colombo plan. In addition to our direct assistance, we are trying to help the

² BULLETIN of Sept. 20, 1954, p. 393.

³ *Ibid.*, Mar. 7, 1955, p. 371.

⁴ *Ibid.*, Feb. 28, 1955, p. 339.

Asian countries to increase the opportunities for trade with each other and with other free-world countries. As part of this objective, we have urged the widest membership in the GATT organization and have intensified efforts to remove restrictions on international trade. Our aid, of course, can only be a supplement and a stimulant to the efforts which the countries themselves will make to achieve more rapid economic development and higher living standards.

Substantial Progress

Within the general framework of the approach I have indicated, substantial progress already has been made. To illustrate, Foa has assisted the Philippines in a material increase in their rice production. In Indonesia our aid is helping to defeat man's tropical enemy—malaria—and increase and improve rice production. As a part of Foa's support of India's development program, some of the local sales proceeds of the aid supplied is being channeled, along with private and International Bank funds, to finance the operation of a newly established Industrial Credit and Investment Corporation which, by promoting private industrial development in India, will help generate greater local capital sources for further development. In Iran, American and Iranian technicians working together under Foa technical assistance projects have improved the country's human resources by considerably reducing the incidence of epidemics of malaria and have increased their agricultural output by the introduction of improved seed strain and animal breeding techniques.

These are but a few examples of the kind of economic development programs in which we are engaged in Asia today. With all of the wonderful skill and imagination which have brought such productive power to the United States, we need not fear the competitive influence of the Communist nations in the field of Asian economic development.

Summary and Conclusion

And now, to sum up briefly, the following are the cornerstones of our Asian policy: encouragement of legitimate national aspirations, collective security against aggression and subversion, eco-

nomic and military assistance to the free nations with which we are allied. These policies are intended to promote our own national security and the best interests of our people.

We do not expect the way to be smooth. Many pitfalls and hazards lie ahead. Because of the diversity of governments and peoples with which we deal in Asia, there are inevitable differences of opinion. But part of good alliances among free peoples is the ability to disagree within the framework of mutual trust and mutual need.

A few years ago there was a book by Edmond Taylor with the arresting title *Richer by Asia*. I don't know whether you remember it, but it told of his own personal sense of excitement and discovery as he delved into the cultures and philosophies of the East and the whole many-splendored tapestry unfolded before him. I think today there is among Americans the same sense of excitement and discovery on a national scale. As the strength and independence of our new allies in an older world increase, as the ties of trade and culture and mutual security grow ever closer, as we meet the exciting challenge of a continent on the move, our own great country and the whole free world will be richer—in spirit and in security and in freedom—by Asia.

Letters of Credence

Libya

The newly appointed Ambassador of Libya, Sayyid Saddiq Muntasser, presented his credentials to the President on May 6. For the text of the Ambassador's remarks and the text of the President's reply, see Department of State press release 244.

Visit of Prime Minister U Nu

The White House announced on May 9 that Prime Minister U Nu of the Union of Burma has accepted the President's invitation to visit the United States. He will be in Washington for a 3-day official visit beginning June 29. Secretary Dulles extended the invitation to the Prime Minister when he visited Rangoon last February.

Visit of Prime Minister of Thailand

The Prime Minister of Thailand, Field Marshal P. Pibulsonggram, made an official visit to Washington May 2 to 6. Following are texts of the remarks made by President Eisenhower and the Prime Minister on May 2 on the occasion of the presentation of the Legion of Merit to the Prime Minister; the citation for the Legion of Merit award; and the address by the Prime Minister to the U.S. Senate on May 4.

LEGION OF MERIT PRESENTATION

White House press release dated May 2

The President: Your Excellency, it is a great privilege for me to present to you the highest award that this Government can give to anyone not a citizen of this country.

It is a special privilege, because in this way we can take note, we hope, of the cooperation of one who has done so much to stand by our side as all of us attempt to defend human freedom, dignity, and liberty in the world.

My earnest compliments to you, Sir.

Field Marshal Pibulsonggram: I am very grateful to you, Sir, that when I arrived in your great country, everywhere I received a very cordial welcome—a treasured welcome. And this morning I had the occasion to have an audience with you, Mr. President, and now I receive this decoration from Your Excellency. I feel very honored. I try as forcibly as I can to lead my country to secure peace in the world. They will be always at your side—in any way—to create the peace of the world.

The President: That's wonderful. Thank you very much.

CITATION ACCOMPANYING AWARD

White House press release dated May 2

Citation for Legion of Merit, Degree of Chief Commander, Awarded to Field Marshal P. Pibulsonggram, Royal Thai Army

For exceptionally meritorious conduct in the performance of outstanding services to the United Nations and to the cause of freedom as Prime Minister and Minister of Defense, Kingdom of Thailand. Following the outbreak of hostilities in Korea on 26 June 1950, military forces from the

Kingdom of Thailand were among the first to respond to the call of the United Nations to meet the challenge of enemy aggressor forces with armed resistance. With the approval of his Council of Ministers, Field Marshal Pibulsonggram directed the organization, training and equipping of a regimental combat team in Thailand, establishing a forward headquarters in Korea. Immediately upon their attainment of operational readiness, he placed an infantry battalion, two frigates, an air force transportation detachment, and a Red Cross medical unit at the disposal of the Commander in Chief, United Nations Command, to support active military operations. Throughout the uncertain months which followed, he worked untiringly to further the spirit of cooperation within the United Nations first great international fighting force. A resourceful and inspiring leader, he was instrumental in expanding the activities of the Joint United States Military Advisory Group to Thailand to include continuing training programs, thereby insuring the maximum mobility and combat effectiveness of the Royal Thai Armed Forces. By his outstanding professional skill, sound judgment and keen foresight, Field Marshal Pibulsonggram contributed significantly to the missions and objectives of the United Nations Command, reflecting the highest credit upon himself and the Royal Thai Armed Forces.

DWIGHT D. EISENHOWER

ADDRESS TO SENATE¹

I am greatly honored by the cordial welcome you have extended to me and for this opportunity of meeting the Members of such an eminent body of legislators, charged by the Constitution and the people of the United States with important responsibilities concerning both domestic and foreign affairs.

May I take this opportunity, Mr. President, to convey to you and through you, Sir, the warm greetings from the Government and people of Thailand to the people of the United States, and my deep gratitude for the gracious and kind welcome I have received from the American people.

¹ Reprinted from *Cong. Rec.* of May 4, p. 4773. The Prime Minister addressed the House of Representatives on the same day. For text see *Cong. Rec.* of May 4, p. 4725.

We, in Thailand, are still young in the parliamentary form of government which we have had for only 25 years, but our love of freedom is rooted in our history and traditions and is as strong as the love of liberty which has made the United States the great Nation it is today.

I have had the pleasure of personally meeting a number of United States Senators who have been to my country, but I have long had the desire to visit the United States Senate, whose wise guidance in matters of foreign policy, which is of particular concern to Thailand and other countries, is of supreme importance during this period of world tensions.

Thailand is proud to have stood with the United Nations and the United States in Korea against aggression, and is proud to be a partner, even though a small one, in the efforts being made by the United States to bring about a lasting period of peace. I believe peace can be achieved through collective strength mustered, not for purposes of aggression or interference in the internal affairs of other nations, but to preserve justice and liberty.

The danger with which we are confronted is real, for not only are the peace and security of Asia, and indeed the world, threatened, but more important than that, their very life and freedom. The people of Thailand shall continue to persevere with all their strength and energy in the course we have taken, for we believe freedom, democracy, and righteousness will ultimately prevail.

Thank you once again for your friendly welcome. I extend to each one of you a cordial invitation to visit Thailand.

78th Anniversary of Rumanian Independence

Press release 256 dated May 10

On May 10, 1877, the Rumanian people severed the bonds that held them subject to foreign overlords and proclaimed their national independence. Four years later on this day, after many sacrifices, they freely crowned their first sovereign. Until recent years, the date of May 10 was celebrated by all Rumanians because it symbolized the historic events associated with the birth of a free Rumania.

The Communist regime in Rumania has abol-

ished the celebration of this day of national independence for reasons which are self-evident. But the captive Rumanian people remain faithful in their hearts to democratic aspirations and they are waiting with hope and courage for the day when they will again be free to govern themselves.

Both the President and the Secretary of State have repeatedly stated that the Government and people of the United States do not accept the enslavement of the nations of Eastern Europe as a permanent condition but look forward to the restoration of freedom and independence to the peoples of that area. On this 78th anniversary of Rumanian independence the conviction may be reaffirmed that the Rumanian people shall one day again live in freedom, secure in the exercise of their inalienable rights.

Commerce and World Peace

Remarks by the President¹

The very word "commerce" is filled with connotations characteristic of our problems of the day. Commerce based upon the productivity, the energies, and the brains of men likewise provides that material base to satisfy the material and physical wants of man and on which are built those opportunities for cultural and spiritual advancement so necessary to his well-being, his progress, and his happiness.

Commerce here at home has made us what we are. As I was driving over here a few minutes ago, there crossed my mind a speculation. A hundred years ago today Franklin Pierce was President. Had he been invited to a body with similar functions, aspirations, and purposes as yours, what would he have talked about?

Well, railroads were beginning to come in. We knew something of steamships, but largely even our farms and certainly our communities were self-supporting. Commerce as such had not attained for people the tremendous significance that it has in this modern day, when almost every man and every community are specialists. The man is a machinist, the city is a steel city, such as Gary or Pittsburgh, or an automobile city such as De-

¹ Made before the U.S. Chamber of Commerce on May 2 (White House press release).

troit, or an agricultural town such as Abilene, Kansas. But everybody does something and produces something in the way of services that must go to someone else, or they have no value and bring no profit to the producer.

Commerce, its free propagation and progress in this country, has brought today the great organization—this great institution that we call modern America.

Now, it has done that without the desertion of the basic principles that were applicable 100 years ago—as well as 177 years ago when our documents, our founding document was written. We still believe that, in the aggregate, the initiative of the individual, his aspirations, and his hope of bettering himself and his family—his ambitions—if directed equally toward the common good as toward his own betterment, will produce the greatest good for all of us.

And though today we talk about a greater need for governmental relationships with the private individual and with business and with our various localities, yet we forget that basic principle at our peril, and we must not—ever—no matter what we hope for in the way of advantage from governmental regulation or direction, or any kind of regimentation, we must never accept it, if it means the surrender of this vital principle: of living by our own initiative and our individual freedoms to develop ourselves physically, intellectually, and spiritually.

Now, the point I should like to make is this. We have proved these things here at home. We understand them thoroughly. The point I want to make, then, is they are just as vital internationally as they are nationally.

It is true we do not accept and need not accept any overall governmental structure that will take the place in international life that our Federal Government takes in our own living. But think of the things you do by cooperation and by working together. That is the kind of thing we want in the international world, where the central fact of our existence is that we and our system are challenged.

We are challenged by a doctrine that holds us to appeal to and act under all of those things most selfish in man. The Communists say: You people boast that you say what you please, you think what you please, you worship as you please, you earn as you please. And they say they appeal

to all that is idealistic in man; appeal to him and say: Forget yourself, build up the state.

But to do that, the Communists have to make the state not only the ruler; they have to substitute for our convictions as to an Almighty—as to religious faith—they have to substitute likewise that state organism. That we flatly reject.

In any event, that communistic international dictatorship is seeking to destroy our way of life. If we then will apply among our friends in the world—the independent nations—the same principles in thinking, in cooperation, respect for common values, and in trade, in commerce, that we have among ourselves, we are as certain of defeating communism as we are that we are all in this hall this moment.

My friends, an enlightened trade policy in the international world for the United States means only this: We are trying to build a bridge, a permanent bridge, that will connect a growing and widely shared prosperity at home with international peace. And that's all there is to it.

We hope to do this intelligently and wisely. But here and there we are going to uncover some dislocations in our economic development and in the economic developments of others, and we must make some concessions. And some of them—for people here and there—will be a bit painful. But if we keep in sight that underlying aspiration of all America—to continue to grow under the blessings of Almighty God with the tremendous opportunities that have been ours because of individual liberty—as long as we cooperate together for the common good, we cannot lose; we simply cannot lose. And we will soon adjust all local or painful experiences of the moment into a greater benefit for all, including those temporarily inconvenienced.

So I say: As this country was born in the self-sacrifice of its patriots, in their determination to work together, in their respect for one another—if we apply those principles today to ourselves at home, and to our tackling of our relationships with our friends abroad, we can dispel fear from our minds, and we can, as we achieve success, lead happy and full lives in perfect serenity and security.

I feel that the aspiration for global peace based on justice and on decency and respect for others means that we must continue to prosper at home, and those two goals are worthy of the best efforts of any American.

Purposes of Proposed International Finance Corporation

Following are the texts of a message of the President to the Congress recommending U.S. participation in the proposed International Finance Corporation, and of a World Bank announcement summarizing the principal features of the Corporation.

PRESIDENTIAL MESSAGE¹

THE WHITE HOUSE,
May 2, 1955.

To the Congress of the United States:

The establishment of the International Finance Corporation and our participation in it will strengthen the partnership of the free nations. In my message to the Congress, January 10, 1955, on the foreign economic policy of the United States and in my annual Economic Report transmitted to you January 20, 1955, I stated that I would recommend at the appropriate time legislation to permit United States participation in the Corporation as part of our effort to increase the flow of United States private investment funds abroad.

I now forward to you the Articles of Agreement of the International Finance Corporation and an Explanatory Memorandum approved by the Executive Directors of the International Bank for Reconstruction and Development.² I recommend that the Congress enact legislation authorizing me to accept membership in the Corporation for the United States and providing for the payment of our subscription of \$35,168,000 to the \$100

million capital stock of the Corporation as set forth in the Articles of Agreement. The subscription was included in the Budget.

The entire free world needs capital to provide a sound basis for economic growth which will support rising standards of living and will fortify free social and political institutions. Action to that end by cooperating nations is essential.

In its own enlightened self-interest, the United States is vitally concerned that capital should move into productive activities in free countries unable to finance development needs out of their own resources.

Government funds cannot, and should not, be regarded as the basic sources of capital for international investment. The best means is investment by private individuals and enterprises. The major purpose of the new institution, consequently, will be to help channel private capital and experienced and competent private management into productive investment opportunities that would not otherwise be developed. Through the Corporation, we can cooperate more effectively with other people for mutual prosperity and expanding international trade, thus contributing to the peace and the solidarity of the free world.

Economic recovery, notably in Western Europe, enables nations other than the United States to participate substantially in furnishing capital to the less developed areas. The International Finance Corporation is an undertaking in which all nations, as members of the International Bank for Reconstruction and Development, will be able to pool some of their resources to spur such investment. All subscriptions to the Corporation will be paid in gold or dollars.

The Corporation, as an affiliate of the International Bank, will serve as an international agency, which will provide, in association with local and foreign private investors, risk capital

¹ H. Doc. 152, 84th Cong., 1st sess.

² Copies of the Articles of Agreement and Explanatory Memorandum, in pamphlet form, are available without charge from the International Bank for Reconstruction and Development, 1818 H St., NW., Washington 25, D. C.

for financing the establishment, improvement, and expansion of productive private enterprises in member countries when other sources of funds are not available on reasonable terms. This type of risk or venture capital is most urgently needed.

By providing the margin of capital needed to attract other funds, the Corporation will help expand private investment abroad. It will make its investments without guarantee of repayment by the member governments concerned. Accordingly, it will complement the activities of existing international investment institutions.

The Corporation will not duplicate the operations of the International Bank for Reconstruction and Development, for the investments of the International Bank are guaranteed by its member governments and are of fixed-interest nature in projects not usually attractive to risk capital.

Since the Executive Directors of the International Bank would serve *ex-officio* as Directors of the Corporation, and the President of the Bank would serve as Chairman of the Corporation's Board, effective collaboration between the two agencies and operating economy is assured.

Nor will the Corporation's operations duplicate the work of the Export-Import Bank. That Bank, an agency of the United States Government, is an instrumentality of our foreign and trade policy. It is not designed to provide venture capital; its loans are at definite interest rates with fixed schedules of repayment.

The Corporation will not hold capital stock nor participate in operating control but will rely on private management. It will not be a holding company retaining its investments on a long-term basis, but will dispose of its holdings to private investors as opportunity offers so that it can reinvest its funds in new activities. Since its main mission is to supply risk capital where it is needed, its investments will be highly flexible.

In some cases the Corporation may take fixed interest obligations, in others it may receive obligations bearing a return related to the earnings of the enterprises, and in others its holdings may be obligations convertible into stock when sold by it to private investors. Thus, the Corporation will supplement private investment, and will operate only in association with private interests which are willing to carry a large share of the total investment in each enterprise. In no event will it supply capital for an enterprise which

could reasonably be expected to obtain the funds from private sources.

United States participation in the International Finance Corporation will be a step forward in our foreign economic policy in cooperation with the other free nations. It is, however, only one step among several which we must take. In my message to the Congress on January 10, 1955, I outlined other important steps.

These actions—such as extension of the Trade Agreements Act, United States membership in the Organization for Trade Cooperation, simplification and improvement of customs valuation procedures, increased tourist allowances, changes in the law concerning the taxation of income from foreign sources and further developments in tax treaties designed to encourage private investment abroad, continued technical cooperation with other countries, and necessary programs of foreign assistance—are essential to a sound and foresighted foreign economic policy for the United States.

I urge the Congress to enact promptly the legislation permitting the United States to join with the other free nations in organizing the International Finance Corporation—an important part of our foreign economic program which will foster more rapid advance by free people everywhere as they strive to improve their material well-being.

DWIGHT D. EISENHOWER

WORLD BANK ANNOUNCEMENT

The International Bank for Reconstruction and Development (World Bank) announced on April 15 that the charter of the International Finance Corporation, proposed new affiliate of the Bank, is now ready for acceptance by prospective member governments.

By authorization of the Bank's Board of Executive Directors, the text of the charter, or Articles of Agreement, together with a memorandum explaining its main features, is being transmitted to the 56 governments which are members of the Bank. The next step will be for those governments desiring to join the new organization to take whatever legislative or other action may be required to accept membership and to subscribe their respective share of IFC's capital.

In a letter transmitting the charter, Eugene R. Black, President of the World Bank, said:

The Executive Directors have devoted several months to the formulation of the proposed Articles of Agreement and explanatory memorandum and have approved them for submission to Governments. Although the Executive Directors' action has not committed Governments to join the International Finance Corporation, the various views expressed by Governments have been carefully considered and fully discussed. It is my opinion that the proposed Articles of Agreement afford a most satisfactory framework for the establishment and functioning of the new institution. I therefore recommend the proposed Articles of Agreement for early and favorable consideration. . . .

The main features of the proposed Corporation are as follows:

Purposes—The basic objective of Ifc will be to encourage the growth of productive private enterprises in its member countries, particularly in the less developed areas of the world. The Corporation—

(a) will invest in productive undertakings, in association with private investors and without government guaranty, in cases where sufficient private capital is not available on reasonable terms;

(b) as suitable opportunities for productive investment come to its attention, will seek to recruit capital from private sources and, if necessary, to find experienced management; and

(c) in general, will seek to stimulate, and to help create conditions which will stimulate, the flow of both domestic and international private investment into productive enterprises in Ifc's member countries.

Membership and Capital—Membership in the Corporation will be open to governments which are members of the World Bank. Ifc will have an authorized capital of \$100 million, available for subscription by members in amounts proportionate to their subscriptions to the capital of the Bank. Subscriptions will be paid in gold or United States dollars.

The United States would be the largest shareholder in the Corporation; its subscription would amount to \$35,168,000. The United Kingdom would be the next largest shareholder, with a subscription of \$14,400,000.

Establishment—The Corporation will come into being when at least 30 governments have subscribed at least \$75 million to its capital.

Affiliation With the Bank—Ifc will be affiliated with the Bank in the following ways:

(a) Membership in the Bank will be a prerequisite to membership in the Corporation.

(b) Each Governor of the Bank representing a government which joins the Corporation will become a member of the Board of Governors of the new institution.

(c) Ifc's Board of Directors will be composed of those Executive Directors of the Bank who represent at least one government which joins the Ifc.

(d) The President of the World Bank, who is Chairman of the Bank's Executive Directors, will also be Chairman of the Corporation's Board of Directors.

The Corporation will, however, be an entity separate and distinct from the Bank. The assets of the two institutions will be kept entirely separate, and the Corporation is prohibited from borrowing from the Bank.

Management—The new institution will have its own President. He will be appointed by its Board of Directors on the nomination of the Chairman. Subject to the policy direction of the Board and the Chairman, the President will be responsible for the conduct of the Corporation's business.

Ifc's principal office will be in Washington, together with the headquarters of the Bank. It is expected, therefore, that Ifc will be able to make extensive use of the experience and personnel of the Bank. Ifc will pay for services rendered it by the Bank.

Methods of Operation—The Corporation will make its investments without governmental guaranty. It will be authorized to make both fixed-interest loans and investments of other kinds. It may, for instance, buy securities which would give the Corporation a right to participate in the profits of an enterprise and which, when sold by Ifc, could be converted by the purchasers into capital stock. The Corporation itself, however, will not be authorized to invest in capital stock, nor will it assume responsibility for managing the enterprises in which it invests.

Ifc's charter gives it more latitude in financing private enterprise than the World Bank has. The Bank may lend to private borrowers only with a governmental guarantee; this has deterred both private entrepreneurs and governmental sponsors from seeking loans for private projects. Sec-

only, the Bank makes only fixed-interest loans, whereas the type of financing required for the establishment or expansion of a private enterprise is often venture capital as well as fixed obligations.

The Corporation will have authority to invest in any kind of productive private enterprise, including agricultural, financial, and commercial undertakings, but its main emphasis is likely to be on industry. In addition to its financing operations, Irc will serve as a clearinghouse to bring together investment opportunities, private capital, and experienced management.

In the case of an entrepreneur looking for capital and for technical skills from abroad, for instance, the Corporation would seek to interest investors outside the country who would be able to provide management experience as well as capital. Conversely, in the case of an entrepreneur interested in establishing or expanding an operation abroad, the Corporation would seek to recruit domestic capital and local partners in the country of investment.

In either case, the Corporation itself might invest in the enterprise. But it would do so only if it were satisfied that the private interests concerned were contributing a full share of the funds required and that the remaining requirements could not be met from other private sources on reasonable terms. The Corporation will supplement, and not substitute for, private investment; as far as financing is concerned, it will regard itself as the last resort.

Sales of Securities—The Corporation will seek to revolve its funds by selling its investments to private investors whenever it can appropriately do so on satisfactory terms. The Corporation will be authorized to raise additional funds by selling its own obligations in the market, but it is not likely to do so in the early years of its operations.

Status—Enterprises in which Irc invests will not, by reason of that investment, have any special status under domestic laws and regulations. Although the Corporation itself will have substantially the same privileges and immunities as the World Bank, its charter does not exempt it from applicable foreign exchange regulations on the transfer of earnings and of repayments of principal on its investments. In this respect, Irc will be in the same position as private investors generally.

FOA Announces \$12.6 Million Grant to Yugoslavia

The Foreign Operations Administration on April 15 announced that \$12.6 million had been allotted to Yugoslavia under the U.S. direct forces support program for that country. The new funds are in addition to an allotment of \$1 million made earlier this fiscal year under the same program. The \$13.6 million total will be used to finance dollar purchases of wool, cotton, and coal and to provide ocean transportation of these commodities.

Besides the direct forces support funds, Foa also has allotted thus far this year a total of \$22,510,000 under the U.S. defense support program for Yugoslavia. This form of aid also contributes to the maintenance of our military security by bolstering our allies' economies so that they can support stronger military establishments. The defense support funds allotted to Yugoslavia since July 1, 1954 have been used to finance the procurement in the United States of various commodities, including \$9 million worth of surplus wheat and \$3.2 million worth of surplus cotton. The defense support funds also financed the purchase of \$2,120,000 worth of U.S. coal and \$1 million of U.S. fertilizer, as well as smaller amounts of medicines, fats and oils, hybrid seed corn, and seed drying equipment needed by Yugoslavia.

More than \$6 million of defense support funds was used to transport these commodities and food stocks sent to Yugoslavia by the United States under separate programs to relieve crop shortages caused by adverse weather conditions and by last year's Danube River floods. These foods, consisting of 285,000 tons of wheat and 750 tons of butter, were provided from surplus stocks held by the U.S. Department of Agriculture. Such grants are authorized by the disaster relief provisions (title II) of the Agricultural Trade Development and Assistance Act of 1954.

Under title I of the same act, the Department of Agriculture has also sold to Yugoslavia for dinar currency some 425,000 tons of wheat and 50,000 bales of cotton from surplus stocks during the current fiscal year.¹ The local currency proceeds will be used by the U.S. Government chiefly for defense purposes in Yugoslavia.

¹ BULLETIN of Jan. 24, 1955, p. 138.

Conclusion of Conversations With Japan on Vested Assets

Following is the text of a joint statement issued on May 10 by the U.S. and Japanese delegations which have been discussing Japanese vested assets in the United States and related matters.

Press release 258 dated May 10

Conversations between the Embassy of Japan and representatives of the U.S. Government which commenced on March 15, 1955,¹ on Japanese vested assets in the United States and related matters were concluded today.

The purpose of the conversations was to discuss the problem of Japanese vested assets and related subjects, and to inform the Japanese Government of a proposal to be submitted to the Congress of the United States for legislative consideration involving the limited return of Japanese vested assets. The object was not to arrive at bilateral agreements with binding effect for both sides but to exchange views on these matters.

The U.S. representatives informed the Japanese representatives that the proposal to be submitted to the Congress with regard to the limited return of vested assets will be applicable to both German and Japanese assets. Under this proposal German and Japanese assets vested in consequence of World War II, or the proceeds of their liquidation, would be returned as a matter of grace to natural persons up to a limit of \$10,000 per owner. This includes persons whose assets exceed \$10,000. Costs of administration would be deducted before determining the amount subject to return. Vested property located in the Philippine Islands would be excluded from return since it was vested by the U.S. Government for the benefit of the Philippines and either has already been transferred or is subject to transfer to the Republic of the Philippines under existing law. Copyrights and trademarks would be returned irrespective of their value subject, however, to existing licenses. Cultural property would be returned under the proposal.

The proposed limited return of Japanese assets would not affect compensation provided pursuant to U.S. legislation to American nationals who suffered losses as a result of the war with Japan. Such legislation provides compensation to American prisoners of war, to civilian internees captured

in U.S. territories and to Americans who sustained property losses in the Philippines, and to other groups of claimants. Compensation is also provided by the Japanese Government, pursuant to the Japanese peace treaty, to American nationals who suffered property losses in Japan as a result of the war.

The Japanese representatives expressed a strong desire for full return of vested assets. The U.S. representatives acknowledged the Japanese desire, but stated that—as representatives of the Federal Republic of Germany had been informed at the conclusion of talks on the return of German assets²—while the future cannot be predicted, a broader plan for return of vested assets is not envisaged by the administration.

The U.S. representatives were headed by Charles F. Baldwin, Deputy Assistant Secretary for Far Eastern Affairs, Department of State, and the Japanese representatives by Takeshi Watanabe, Financial Minister of the Japanese Embassy.

Office for Foreign Investment

Creation of an Office for Foreign Investment, to serve as a clearinghouse of information on investment opportunities overseas, was announced by the Department of Commerce on April 28. The new Office will draw upon resources available within the Commerce Department for advice and support in respect to investment matters, including the facilities of the Bureau of Foreign Commerce, the Business and Defense Services Administration, the Field Service, and the Office of Business Economics. The research and development of background information conducted in the Office of Economic Affairs of the Bureau of Foreign Commerce, and the work of the Commercial Intelligence Division in compiling and distributing information on foreign investment opportunities, will continue unchanged.

A new semimonthly bulletin, entitled "Investment Opportunities Abroad," will be produced with the cooperation of the Foreign Operations Administration.³ Bulletin No. 1, now available, features Portuguese East and West Africa.

¹ *Ibid.*, Mar. 14, 1955, p. 437.

² Available on written request from the Commercial Intelligence Division, Bureau of Foreign Commerce, U.S. Department of Commerce, Washington 25, D. C., or from any of the Commerce Department's field offices.

³ BULLETIN of Mar. 14, 1955, p. 438.

The Foreign Service—First Line of Defense

by Loy W. Henderson

*Deputy Under Secretary for Administration*¹

The State Department and the Foreign Service are sometimes referred to as our first line of defense. They are not only our first line of defense but also our first line against war itself. The long line which we call the Foreign Service of the United States is anchored in the Department of State. It not only passes through the capitals of the countries with which we maintain diplomatic relations but stretches into many areas not usually known to the American tourist. No matter how disagreeable or unhealthy the climate, how unfavorable the living and working conditions, how remote and isolated the community, or how great the personal sacrifices, if it has been determined that the presence there of representatives of the United States Government is essential for the protection and promotion of American interests or for the strengthening of American security, you are almost certain to find the Stars and Stripes flying over some kind of diplomatic or consular establishment.

The Foreign Service personnel who staff these establishments are in constant touch with the State Department. They keep it informed of every development and every trend which might possibly affect the interests or the security of the United States. In turn, they are kept currently informed regarding United States policies, particularly those policies applicable to the areas in which they are serving. It is sometimes assumed that our officers in the foreign field take no action except when specifically instructed. This is not true. In the framework of general instructions much is—and must be—left to their discretion. They are expected to be sufficiently versed in our objectives and policies and to be sufficiently experienced and

sensitive to be able, without awaiting specific instructions, to know what to say or do in certain circumstances. They must also be able to judge whether or not a given situation is so grave that they should seek instructions before taking action.

I am sure that you can appreciate the deep sense of responsibility—and sometimes the anxiety—which our Foreign Service officers, particularly those in remote posts, must have when the situation becomes delicate, dangerous, and fluid. They know that their country is depending upon their courage, restraint, and judgment and that if they make a mistake the result might be not only loss of American prestige and property but even suffering and bloodshed. Foreign Service officers carrying on in such circumstances must have experience and skill and a high morale fortified by a feeling that behind them stand the American Government and people. It is essential that the men and women holding these responsible positions should be the best which our country can furnish. They should be selected with the utmost care and given the best training which is available. They should be kept physically, mentally and morally in the best possible condition to meet the demands made upon them.

Professional Spirit

It is about the Foreign Service that I would like to talk with you today. It should not be difficult for me to explain to this audience some of the problems and the hopes for the future of the Foreign Service. As representatives of a great and historic profession, you will readily understand the concerns, the aspirations, the frustrations, and the satisfactions flowing from accomplishments of the profession which I represent. The members of our profession, it is true, are limited in number; nevertheless they have their own disciplines and traditions, their own skills, and a high

¹ Address made before the Michigan College Association at Holland, Mich., on May 5 (press release 240 dated May 4).

esprit de corps. All of them at some stage or other of their lives have decided to dedicate themselves to the task of promoting the interests and strengthening the security of the United States in the international field. Organizationally they are bound together in the Foreign Service. They are held together still more closely, however, by the ties of similar interests, experiences, and aspirations. They are deprived of the privilege of spending their lives in a hometown. Their hometown is the wide world. Their loyalties must be to our nation as a whole. Nevertheless, they compose a dedicated little group which rejoices in its achievements and grieves over its failures. Since their work keeps them almost exclusively in foreign lands or in Washington, one is not likely to run across members of this profession in the cities and villages throughout the length and breadth of the United States as one meets doctors, lawyers, or officers of the armed forces. Relatively few American citizens, therefore, know from personal contact just what kind of persons are in this profession. The fact is that the officers of our Foreign Service are, for the most part, conscientious, hardworking public servants who cooperate in a professional spirit with one another in performing the tasks assigned to them.

Our Foreign Service is the most effective Foreign Service in the world. It mans some 77 diplomatic missions and 167 consulates. Its officers hold many of the key positions in the Department of State and in our various delegations to the United Nations and associated international organizations. Over half of our ambassadors and ministers are Foreign Service officers. Nevertheless the Foreign Service must be improved—and improved rapidly—if it is to discharge with maximum effectiveness all of the responsibilities which history is placing upon it.

Wriston Committee

A little over a year ago the Secretary of State, sensing that the Department and the Foreign Service were not keeping up with the march of events, appointed a Public Committee on Personnel to study the matter and make recommendations "concerning the measures necessary to strengthen the effectiveness of the professional service to a standard consistent with the vastly increasing responsibilities in the field of foreign policy." This committee, which was under the

chairmanship of President Henry M. Wriston of Brown University and which was composed of eight highly qualified men from various walks of American life, made a report last May which confirmed the feelings of those of us who through the years have been connected with the foreign affairs activities of our Government that urgent steps should be taken to reorganize and strengthen the State Department and the Foreign Service. Some of these steps are now being taken.

At the present time we are engaged in carrying out a program for the purpose of integrating as far as practicable into a single Foreign Service Officer Corps those officers of the Department of State and of the Foreign Service who are discharging responsible duties of a foreign affairs character. These officers in the past have belonged to four different corps: Civil Service officers of the Department of State, Foreign Service Reserve officers, Foreign Service Staff officers, and Foreign Service officers. We hope that when this integration is completed we shall have nearly 4,000 Foreign Service officers experienced in the conduct of foreign affairs both at home and abroad and prepared to serve at any post in the world where the need for them might be greatest.

We are also taking energetic measures for the purpose of recruiting into the Service at the bottom, that is, Foreign Service Officer Class 6, some of the most promising young men and women of the country. It is hoped that these young men and women, after they have become matured by experience and developed by training, will render distinguished service in assisting the United States to solve its international problems of the future.

Emphasis on Training

Experience has taught us that, if we are to maintain a Foreign Service capable of meeting all kinds of international emergencies, we must place greater emphasis than heretofore upon the training of its members. Not only must our new recruits be instructed in foreign languages and in diplomatic and consular techniques, but our more mature officers must from time to time be subjected to academic discipline and be required to take intensive training which will keep them abreast of world developments and informed with respect to the means by which the United States can cope with new situations. Furthermore, we must carefully select various officers for special training in

highly technical fields with respect to which they have shown aptitudes. It is our plan that some of this training will be carried on at our Foreign Service Institute, which we are in the process of strengthening, some of it will take place abroad, and some of it in American educational institutions, provided appropriate courses and facilities can be arranged.

Although I do not have the figures available, I am confident that during recent years the average officer of our armed forces has been given five times as much training after he has received his commission as the average commissioned officer of the Foreign Service. The professors of our universities are periodically given a sabbatical year; they are also able sometimes to pursue studies during the summer months. Our physicians take time off to study the latest surgical and medical techniques. But the Foreign Service in all its history has never had sufficient manpower to make it possible for its officers to be spared in any appreciable number for study and training. Neither has it had the funds to provide the necessary instructors and training facilities.

In keeping with the recommendations of the Wriston Committee, we are also hoping to improve the working, living, and financial conditions of our Foreign Service personnel. Congress has passed a law this year authorizing the granting of certain allowances which will help our Foreign Service personnel to solve the problem of the education of their children. We hope that in the not distant future it will enact additional legislation beneficial to the Service and will also materially increase some of our appropriations. We are, for instance, asking Congress to appropriate funds which will enable us to provide better working and living quarters for some of our Foreign Service personnel, particularly those in climatically disagreeable and unhealthful posts.

It is also our hope that eventually more adequate appropriations will be granted to support our representational activities. Representation is an inescapable part of the conduct of the business of the United States abroad. The sums presently allocated are well below those provided by other governments to their diplomatic services. It is not unusual for the representatives of the United States at an international conference, for example, to be far less well supplied with necessary funds and facilities than the representatives of other participating countries.

It is obvious that, if members of our Foreign Service are to be really effective, they must extend hospitality and maintain a hospitable home where leaders in various walks of life of the countries in which they are stationed can be entertained in a suitable—not ostentatious—manner. The salaries plus the personal income of the majority of our Foreign Service personnel are not sufficiently large to enable them to subsidize a part of the essential business of the Government. Unless, therefore, adequate representation allowances are available, either the work of our diplomatic missions and consulates must suffer or the key posts in them must be manned by American citizens possessing private means. The latter course would require a radical shift in our system of recruitment for the Foreign Service—a system which has been designed to select the best talents our country produces regardless of personal wealth.

Recruitment

We hope to have the support and cooperation of the universities and colleges of the country in connection with our efforts to strengthen the Foreign Service. We are particularly counting on their assistance in the matter of recruiting and training.

We would like to take into the Service at the bottom—that is, in Class 6—some 350 officers before July 1, 1956. We have already been in touch by mail with most American institutions of higher learning during the last 2 months in an endeavor to stimulate as wide an interest as possible among university senior and postgraduate students in the written Foreign Service officer examinations to be held in June and December of this year. The Department has also sent representatives to more than 200 universities and colleges in order to discuss the Foreign Service with members of the faculties and students. Up to May 3—the deadline for receiving applications for the June examinations—more than 4,300 young men and women had indicated their intention to take the written examinations. We do not know how many of these candidates will be successful. Those who pass the written examinations will be permitted to take the oral examinations during September and October. Those who pass both examinations and are cleared by our medical and security officers should be eligible

for commissions as Foreign Service officers by the end of this year. We would be more than satisfied if the June examinations could net us 200 young officers.

It is now too late for additional students to apply for permission to take the June examinations. We would be grateful, however, for such encouragement as the colleges of Michigan could give to promising young men and women to take the December examinations.

We are, of course, interested in the quality rather than merely in the number of candidates. It would be manifestly unfair to encourage a young man or woman to take the examinations who obviously does not possess the requisite qualifications.

New Written Examinations

Our written examinations in June and December will be quite different from those given in previous years. They will be held at some 50 centers throughout the United States and its territories so that the candidates will not be compelled to travel long distances in order to take them. The examinations are much shorter than those given in previous years. They do not embrace as many subjects; they are more general in scope; they contain no "catch" questions; they place no premium upon the memorizing of dates or of the names of persons and places. Those who pass these examinations must have a good general educational background; they must have certain cultural interests; they should understand various systems of government; they must be acquainted with the basic principles of economic theory; they should know something about geography and international problems; they should be able to present their ideas in an orderly fashion in suitable language; and they should display judgment and common sense. They should be able also to pass an examination in at least one foreign language either before entering the Service or before receiving a promotion.²

I am going into some detail in this matter of the written examinations because I would like for

² For further information on the examinations and other details about the Foreign Service, see *New Opportunities in the U. S. Foreign Service*, Department of State publication 5748, for sale by the Superintendent of Documents, U. S. Government Printing Office, Washington 25, D. C., 15 cents a copy.

all of you to know enough about them to be able to judge which students might have the best chance of passing them.

The oral examinations afford the candidates an opportunity to demonstrate that they have the personal qualifications which a Foreign Service officer should possess. It is not easy to describe these qualifications; they are almost indefinable. It might be less difficult to describe the kind of young men and women who are likely to become the most useful Foreign Service officers. They should have friendly, attractive personalities; they should possess a sensitiveness which renders them quick to understand the views, the prejudices, and the problems of people of different national, racial, or occupational backgrounds; their faces and their bearings should reflect an eagerness to learn and a lively intellectual curiosity—the Foreign Service is no place for dull, unimaginative persons. They should be interested in the manners, customs, languages, and history of peoples of other times and places. These interests should have been manifested by the reading not only of the best American literature but of some of the great international classics. In their studies and work they should be thorough without being pedantic. They should have a healthy sense of humor. They should not shrink from tasks requiring a high degree of intellectual concentration. They should be complete masters of English grammar and should have a feeling for the structure of the English language. If they are good at sports—particularly those in which they can continue to engage while in the Service—so much the better. Natural brilliance is a great asset in the Service, but brilliance in itself is not enough; it is likely to burn itself out quickly unless it is accompanied by integrity, steadiness, sincerity, and real modesty.

Please do not obtain the impression from my remarks that only paragons can obtain admittance into the Foreign Service. We are quite aware that we are not likely to find concentrated in any one person all the qualities which we would like for our Foreign Service officers to possess. I hope, however, that what I have said will help in identifying the kind of young men and women who in our opinion would be best qualified to represent our country in the foreign field.

If on or off the campuses you should come into contact with young people who in your opinion have the basic qualities which a Foreign Service

officer should have, please draw their attention to the Foreign Service as a career. You might interest the students among them in pursuing studies which would be useful to them if they should subsequently enter the Service.

We are determined without further delay to strengthen our training and education activities. The Secretary of State has recently appointed Mr. Harold B. Hoskins as Director of the Foreign Service Institute. Mr. Hoskins is an imaginative, dynamic person who has had extensive experience not only in the Department but also in the business and academic world. We are convinced that under his leadership the Institute will soon be a powerful factor in increasing the effectiveness of our Foreign Service personnel. In time Mr. Hoskins will call upon the universities of the country for guidance in the selection and arrangement of courses. He may also ask some of them to help in the matter of instructors and in the preparation of textbooks. It is our idea that, in the immediate future, at least, the Institute will concentrate on subjects of immediate practical significance, such as languages and the specialties of which the Service is in greatest need. It will also give courses of a more general character to officers who are about ready to take over some of our key positions.

Scholarship Program

In connection with recruiting and training we are hoping to launch a scholarship program. This program would provide financial assistance to qualified and promising college students during their junior and senior years or while in graduate schools. In return, a scholarship holder would obligate himself to pursue studies of a character which would make him useful as a Foreign Service officer. He would also commit himself, upon being accepted by the Foreign Service, to a minimum term of service after completing his studies.

Several difficulties have been encountered in getting this plan under way. Some of the universities have not greeted it with enthusiasm, apparently because of a feeling that the provision requiring the student to pursue an appropriate course of study could lead to interference by the State Department in the college curriculum.

The Department, I can assure you, has no intention of meddling. The studies in question, as it visualizes them, would include English, his-

tory, economics, and modern languages, and other subjects basic in all colleges where the liberal arts and the political and social sciences are taught. We would also be happy if some of our scholars would specialize in such fields as labor, agriculture, business administration, law, and accounting. Our interest in a curriculum for these students would be primarily in making sure that a prospective Foreign Service officer would not employ the scholarship given to him by the State Department in completing a course in electrical engineering or in obtaining a degree in hotel management, dentistry, pharmacy, and so forth. A more serious obstacle in the way of the launching of a scholarship program is the shortage of funds. These can be obtained only through legislation, and we do not as yet know what the attitude of Congress will be.

We have a number of other projects under consideration for strengthening the Foreign Service and the Department of State, of which the Foreign Service is an integral part. Some of these projects have been suggested by the Wriston Committee, and some have been developed on the basis of our own experiences. One of the projects suggested by the Wriston Committee is that a new class of Foreign Service officers be superimposed on the present Foreign Service structure—the class of career ambassador.

It is, I believe, indicative of the hesitancy which we have shown in the past in extending due recognition to the Foreign Service that although for years many Foreign Service officers have been serving as ambassadors in various capitals of the world—more than 40 are serving in this capacity at the present time—the highest career rank in the Foreign Service is still that of career minister.

It is impracticable for me in a brief talk of this kind to touch upon all of the programs for improving the Service which we hope will be carried out within the next few years. It is clear, however, that we shall not be able to maintain the kind of Foreign Service which we should have unless the American people themselves come to the realization that the Foreign Service is their Service; that its sole objective is to advance their interests and their security; that it exists entirely for their benefit. It is my hope that the educators of this country will use the tremendous influence which they wield on public opinion to assist in bringing the American people to this realization.

The Mutual Security Program—An Investment in Strength

Statement by Secretary Dulles¹

Beginning about a decade ago the United States embarked upon a program which is unique in the world's history. The United States decided that it would, in its own interest, devote a substantial part of its resources to helping other free nations to build the economic health and military strength needed for the preservation of their freedom. This program, with its various related parts, has become known as the Mutual Security Program.

Over the years this unique experiment in international relations has undergone many changes—changes of emphasis, additions and subtractions, changes of organization and administration. This year new changes are proposed in order to adapt the program to changing conditions and to assure better the accomplishment of the desired ends.

The President has announced his intention to transfer the affairs of the Foreign Operations Administration to the Department of State as of June 30, 1955—except for certain military functions which will be administered by the Defense Department, in close coordination with the Department of State.² Until now the activities of this vitally important arm of our foreign policy have been independently administered with great ability by Mr. Harold E. Stassen and his organization. I hope that, when this responsibility comes to the Department of State, it will be possible to carry on with equal effectiveness.

Review of Proposed Program

President Eisenhower, in his recent message to the Congress,³ gave a comprehensive review of the proposed program.

¹ Made before the Senate Committee on Foreign Relations on May 5 (press release 239).

² BULLETIN of May 2, 1955, p. 715.

³ *Ibid.*, p. 711.

The total of funds requested is \$3,530,000,000. Of this amount, approximately one-half, or \$1,717,200,000, is intended to be used directly to maintain and build up the military forces of allies. In addition to that half of the total fund, another one-quarter, or \$1,000,300,000, is designed for what is called defense support. That means economic help to countries which cannot otherwise carry the burden of as large defense establishments as seem desirable. A military establishment is not only economically nonproductive, but it subtracts largely from the productivity of a people. There are some nations so situated that it is deemed desirable that they should have a greater military establishment than their economies can presently support.

By direct military aid and defense support, there are made available for the defense of the free world far larger military forces than would be available if the same amount of money was spent on our own military.

The foregoing accounts for approximately 75 percent of the total fund requested. The remaining 25 percent, or \$812,500,000, is designed for programs unrelated to military purposes. The principal items are \$337,000,000 for economic aid to Asia, of which \$200,000,000 is for a special fund for regional development. There are funds for technical cooperation in the amount of \$172,000,000. \$100,000,000 is designed as a contingent fund for the President.

The geographical distribution of the one-quarter of the fund which is not related to military establishments is as follows: \$21,000,000 for Europe, chiefly for West Berlin; \$52,500,000 for the other American Republics; \$179,000,000 for the Middle East; \$337,500,000 for Asia; and \$222,500,000 for nonregional programs, including the multilateral programs and the President's Contingency Fund.

This program is an essential part of our overall policy of seeking to bring those rulers who now

follow the line of international communism to see the futility of the policy of attempting world conquest. Thus, there may come alternate policies designed to satisfy the legitimate aspirations of their peoples.

There is, I believe, an air of expectancy in the world today. A series of small but perhaps significant signs suggest that the time may be nearing when those who have been seeking the conquest of freedom will in fact put their foreign relations on a more tolerable basis. Developments in relation to Austria may be indicative of a change of mood which may extend to other areas.

I do not want to imply that I think we have achieved our goals. There are still bad spots as well as good spots. Also, I do not doubt that the international Communists believe that any new policies which they now adopt are part of the classic design which Lenin said means that "we might have to go in zig-zags, sometimes retracing our steps, sometimes giving up the course once selected and trying various others," and which Stalin said involves "maneuvering the reserves with a view to effecting a proper retreat when the enemy is strong." Nevertheless, I do feel a certain sense of encouragement because today the tactics of the international Communists suggest that they realize that the free world is in fact "strong" and that they do have to give up some of the courses they once selected.

The essential is that we continue the policies which have produced this strength and, with it, added safety and new opportunities. It would be a great mistake to relax our mutual security efforts just as they seem to be bearing the desired fruits. Whatever successes or failures we encounter in our immediate relations with the international Communist bloc, we can be sure that our chances for peace and freedom will continue to depend, for many years to come, upon the total strength which free peoples are able to create and maintain.

In past years a major part of the military and economic assistance authorized by the Congress under the Mutual Security Program has been furnished to the nations of free Europe. The best measure of the success of this program is the remarkable growth of economic vitality, political stability, and military strength among these nations. NATO is a going concern; European unity has moved forward; production, trade, and living standards have risen. Europe still faces many difficult problems, and our interest in the success-

ful solution of these problems remains undiminished. However, there has been a significant improvement of conditions in Europe, and perhaps because of that we now look more closely at Asia and see more clearly its needs. The Mutual Security Program for next year is planned accordingly.

New Emphasis on Asia

In addition to continuing and in some cases increasing present programs in the free countries of Asia, particularly the technical assistance programs, the President has requested a special fund for discretionary use in eastern and southern Asia. International communism is pressing hard to extend its influence in Asian countries which lack the economic strength to support an adequate defense establishment and to provide the necessary foundation of political stability and steadily improving living standards.

By means of the Manila Pact and other defense treaties, we have placed the Communists on notice regarding the danger to them of further armed aggression in that area. But this is not all that we can and should do. We know that nations which are economically weak find it difficult to become politically strong and secure. We believe that an increase in free Asia's economic strength can be another effective resistant to communism. The President's fund for free Asia is designed to stimulate the development of economic strength and cooperation in this area.

For some time now the free Asian countries have been meeting annually with one another under the auspices of the Consultative Committee of the Colombo Plan for Cooperative Economic Development in South and Southeast Asia, commonly called the Colombo plan. In these sessions these countries have been frankly discussing their problems of development and have been cooperatively seeking ways of overcoming them with their own resources.

This type of consultation and initiative with its emphasis on self-help should be continued and expanded. Out of such cooperative forums may well come ideas which will strengthen the area politically and economically. We joined with our Asian friends at these sessions in the past, and we hope to continue to do so. I should make clear, however, that the United States would retain full control over the use of the fund just as we do in the case of the country programs.

In singling out any one part of an integrated program for special comment, there is always the danger of implying a lesser degree of enthusiasm and support for other parts of that program. Since I shall not attempt to discuss the value of each individual part of this Mutual Security Program, I hope that you will not so interpret my remarks. In the course of these hearings I assume you will wish to evaluate each aspect of the program, drawing on many informed witnesses.

I am not myself an expert on all the details. But I do have a confident overall judgment as to the value to the United States of these programs as a whole. In my opinion these Mutual Security Programs have achieved, and are achieving, measurable success in bringing about the conditions which, in my judgment, are the best guaranty of peace and freedom in the world. The price we are paying for this result I consider to be a reasonable price when measured in terms of the attainable results.

It has been suggested on occasion that our superiority in modern weapons has lessened our need for allied support. This is a dangerous misconception. We need the support of other free nations just as they need us. The peoples of these nations, their territories, their farms and factories, their mines and scientific and technical skills, all are priceless assets in the hands of the free. But under Communist control these human and material resources would be harnessed and used against us.

I have repeatedly emphasized the fact that we cannot rely exclusively upon any single weapon or technique; that our technological advantages must be reinforced by other means of defense, both military and nonmilitary. Superiority in modern weapons is not a product of any special magic, nor is it automatically guaranteed to last forever. It is part of our overall technological capacity and is a composite of various human skills, mineral resources, laboratories and factories, trained military personnel, bases, and other facilities, many of which are freely made available by our friends and allies. Technological superiority for a prolonged period will depend in

large measure upon what happens to people in other lands and upon how they decide to use their human and physical resources.

Partnership of Free Nations

There are some who have criticized the Mutual Security Program as a futile effort to buy friendship. If this were its true purpose, it would indeed be futile. Friendship cannot be purchased. The great majority of the free peoples of the world are already friendly to the United States. Our real purpose is to invest in strength. We want to make our friends as strong as possible, so that they can better protect themselves and contribute more effectively to our common safety and to our common progress toward a more stable and peaceful world.

During the past 10 years the free nations have voluntarily forged a partnership relationship which has served them well. The United States has made a momentous contribution to that partnership. Never for a moment have we sought aggrandizement for ourselves. Our only purpose has been to help those elsewhere who believed in human freedom and were willing themselves to struggle and sacrifice to assure it. What the American people have done over this 10-year period has, I think, no precedent in recorded history.

What has been done warrants good hopes for the future. Those hopes are primarily due to the fact that men are now realizing that peace and justice are goals which must be constantly worked for and sacrificed for and that they are not goals which can be assured by some paper agreement or by some sporadic act. In the past, almost always, war has led to agreements which people interpreted as assuring peace. Therefore, they relaxed and went about their purely personal affairs. This time we have not relaxed but have gone on working and struggling—sometimes with success, sometimes with setbacks, but always with determination.

The need for that is still with us and is in vital measure represented by the Mutual Security Program now before you.

Problems of Industrialization in Underdeveloped Countries

Statement by Preston Hotchkis

U.S. Representative in the Economic and Social Council¹

An expanding world economy with the less developed areas playing an increasingly important role is the continuing desire of the United States. We support any constructive effort directed toward the attainment of this objective.

The two major documents which the Council now has before it ably chart the paths toward this goal. One of them deals with "Processes and Problems of Industrialization in Underdeveloped Countries."² The other is the working paper on "Efforts Toward Raising Productivity in Industry."³

Both of these documents are concerned with problems encountered in efforts to increase industrial production in underdeveloped countries. Although they are dissimilar in scope and approach, both deal in broad fashion with solutions for these problems.

Such generalized studies, of course, cannot be substitutes for appropriate efforts of individual countries to attack and solve their respective problems in the field of planning, organization, and production. The combination of problems facing any given country is peculiar to that country and can be dealt with fundamentally only by that country. Nevertheless, the two documents now under consideration are extremely useful in drawing attention to the nature of the problems faced and in indicating the types of measures that need to be considered in seeking their solution.

In the study on industrialization in underdeveloped countries, the Secretary-General was confronted with a formidable task. Very properly,

he has recognized that "no general pattern of industrial development is applicable equally and in all details to all underdeveloped countries." He also recognized that "no program can be practical outside the economic context of the country in which it is to be put into effect." Instead of seeking an abstract formula the Secretary-General has devoted his attention to those aspects of the process of economic growth, particularly as they pertain to the development of manufacturing, which have been found to be common to a wide range of countries.

Balanced Character of Report

In the opinion of my Government, the Secretary-General is to be commended for the manner in which he has approached this difficult assignment. The resultant study provides an excellent description of the economic, social, and institutional obstacles which have been found by experience in many countries to hamper industrial growth. It discusses—in so far as feasible within a highly generalized frame of reference—domestic and international measures which may be conducive to industrialization. While not presenting any blueprint for universal adoption, it does make many useful suggestions as to desirable courses of action to facilitate industrial growth in the underdeveloped countries. It makes available for ready reference information on the salient features of most of the important general problems attending industrial development in the underdeveloped countries. This is a most welcome and useful addition to the knowledge and the literature on economic development.

My Government is especially pleased with the balanced character of the study. The analysis

¹ Made in the Council at New York, N.Y., on Apr. 5 (U.S./U.N. press release 2144).

² U.N. doc. E/2670.

³ U.N. doc. E/2604 and corr. 1 and 2.

never loses sight of the broad social and institutional framework within which industrial development must take place. It also points repeatedly to the necessity of keeping plans for the promotion of manufacturing in step with the growth of agriculture and mining, of transportation and communication facilities, and of marketing systems.

The study performs a real service by reminding us of the importance of many considerations too often lost from view when attention is focused on expanding the manufacturing sector of the economy. For example, it properly emphasizes the need for increased productivity in agriculture or mining as a prerequisite for diversion of resources for industrial expansion. Equally apt are the Secretary-General's warnings that neglected development of primary resources may impair an underdeveloped country's capacity to earn foreign exchange through exports and hence its ability to acquire the capital equipment needed for industrial growth.

Another example of the realistic tenor of the report is its emphasis upon the difficulties inherent in developing the technical and managerial skills essential to rapid industrialization. In this connection, I would like to underscore the point that direct private foreign investment is an important vehicle for the provision of such skills and usually also for their local development. Steps by underdeveloped countries to attract private foreign investment can thus serve three purposes simultaneously: (1) creating more jobs for more people, (2) expanding and diversifying productive capacity, and (3) teaching new skills and building up reservoirs of local technical and managerial abilities.

There are, of course, some points of detail on which my Government has reservations. By way of illustration, I might call attention to a passage which gives reasons for the relatively small amount of industrial technical assistance furnished to underdeveloped countries during the last few years. One of the reasons cited is that in many areas where secondary industry has been established, "it is largely in the hands of private entrepreneurs and therefore outside the direct range of aid provided by governments." This comment is not applicable to bilateral programs of the United States Government, under which we do furnish technical assistance to private industry in underdeveloped countries on the condition that

the benefits of such assistance to a given entrepreneur will be disseminated to the industry as a whole.

I do not wish to dwell, however, upon minor reservations regarding details of this report, which I have already characterized as an excellent job. My delegation believes that it merits the close attention of member governments and that it can provide helpful guidance to officials concerned with national plans and programs of industrialization and economic development.

Productivity Study

At previous sessions of the Council, many delegations have stressed the vital role to be played by increasing productivity in any program designed to accelerate economic development in the less developed areas. The Secretary-General's paper on "Efforts Toward Raising Productivity in Industry" provides a very useful handbook in this connection. By identifying the problems which lie in the path of increasing productivity, it focuses attention on some of the obstacles to be overcome if the total production of goods and services is to increase.

As the working paper reports, a number of United Nations bodies have in recent years helped various countries to achieve greater productivity. I refer to the fine work of the International Labor Organization, the Food and Agriculture Organization, ECAFE [Economic Commission for Asia and the Far East], and ECLA [Economic Commission for Latin America], among others, some of whose representatives spoke on this item yesterday. Indeed, much, perhaps most, of the entire technical assistance program leads directly to increases in productivity and production. Notable illustrations are such activities as the vocational and technical training projects which have been carried on with such success in various countries.

The demand for technical assistance in increasing productivity is greater than can be supplied by available staff and funds. It seems to my delegation that this is one field in which the regional commissions and the specialized agencies, which ordinarily have quite separate functions, can be of material assistance to each other. For example, the economic studies of the regional commissions can identify points on which the specialized agencies might concentrate their technical assistance. Similarly, the agencies' operating field experience

should add to the material available to the regional commissions on the problems, successes, and failures of countries in the region in their drive for economic development.

Productivity Centers

I also want to call attention to the value of productivity centers which have now been established in a number of countries. Recent experience with such centers in the less developed areas shows that institutions of this type can be of great assistance in introducing new techniques of production and in facilitating exchange of information on design of products and of plants adapted to the area. In a number of underdeveloped countries, the productivity center has been organized in connection with an office of industrial development, which assists in the planning and establishment of new industries and the improvement of capital equipment in those already established. The need for good organization of work, better care of equipment, and additional training for workers, even after new machinery has been obtained, emphasizes the desirability of close cooperation between these two groups.

It might be noted that productivity centers established since 1947 in industrialized countries have now become permanent institutions largely because of their success in serving the need for spreading knowledge of up-to-date methods. It seems to me that such dissemination of information about techniques which make it possible to increase output per man-hour without large investment of new capital resources is one of the real needs in underdeveloped areas.

I have in mind, for example, progress that has been made in the construction industry in certain areas with the aid of the technical assistance program of the United States. There has been developed a very simple machine which produces earth blocks, using one part cement to 15 parts of earth. This machine has been used effectively by unskilled workers in Southeast Asia at very little additional cost over the earth construction common in that part of the world. In the Caribbean islands, inexpensive hand-operated cement-block machines are made by the islands' blacksmiths, and groups of families use them in building houses for each other. The resulting hurricane-resistant houses are a great improvement over those previ-

ously built for the greater part of the population in the area.

In a Mediterranean country, experiments have been conducted leading to the development of a stabilized earth brick for use in house construction. Diatom, a petroleum product, is used as a stabilizing element instead of straw. This ingredient is available at little cost, and its use is expected to produce a more permanent and a more sanitary dwelling than those made from ordinary mud bricks. In a number of areas, cinder blocks and cement pipe have been important factors in increasing efficiency in construction.

These are but a few examples of technological improvements which can be applied in building construction in underdeveloped areas. Reports on such technological developments, prepared for circulation to underdeveloped countries, might well be a useful and rapid method of providing technical assistance.

Individual Incentive

Naturally, the central figure in any program to improve productivity must be the individual worker at the bench, in the mill, or behind the plow. No matter how appealing in theory proposals for productivity improvement may be, unless they capture the enthusiasm and good will of the worker who must operate the machine to carry them out, they are doomed to failure. If the worker feels exploited, if he feels that productivity improvements are made at his expense, he will resist them. If, on the other hand, he feels that he is a participant in the benefits of increased productivity, he will not only accept the innovations, but he will, on his own initiative, originate and contribute many technical improvements. In a word, incentive is the key which changes the attitude of the individual worker from one of fear—or even resistance—to one of initiative and cooperation in productivity programs.

In too many places in the world, there is too little incentive to produce more and better goods. Indeed, press dispatches in the last few days have told of the whole agricultural program of one country deteriorating to a point of national jeopardy because of the absence of incentive as well as of liberty. In my own country, workers and employers alike recognize that their mutual welfare can be improved only by increased output at lowered costs in the free-enterprise, incentive sys-

tem. A nation's best market is right at home; if productivity is raised, real wages can be increased and consumer markets expanded. The only way that each person—particularly in countries where population is increasing rapidly—can have a bigger piece of the pie of national income is to make a bigger pie. Increasing productivity is one of the most effective ways to make a bigger and better pie.

Man's demands are almost limitless. To get these demands to the market place, and to supply them, is a key objective of an expanding legitimate economy. Increasing productivity sparked by the incentive of self-interest energizes the engine of free enterprise, which in turn produces more goods more cheaply for more people.

Responsibility of Egypt and Israel for Reducing Tension in Gaza Area

Statement by David McK. Key¹

Mr. President, 3 weeks ago this Council unanimously adopted a resolution relating to the unhappy conditions prevailing along the Armistice Demarcation Line between Egypt and Israel.² That resolution placed the stamp of endorsement on the efforts of the Chief of Staff of the Truce Supervision Organization to remedy the causes of the present tension. The Council requested the Chief of Staff to continue his consultations with the Governments concerned with a view to the introduction of practical measures which would preserve the security of the area. It noted that the Chief of Staff had already made certain specific proposals; it called upon the two Governments to cooperate with the Chief of Staff with regard to his proposals; and it requested the Chief of Staff to keep this Council informed of the progress of his discussions.

Since the passage of that resolution we have received new complaints submitted by the Government of Israel relating to the situation along the

Gaza border.³ At our meeting on April 6 to hear these new complaints we decided that we needed further information from General Burns, the Chief of Staff. We have now received his report⁴ and it is before us. It is an able and thorough report, as was the report which assisted us in the adoption of the two resolutions on the Gaza situation 3 weeks ago. It further strengthens the great confidence we have in General Burns and justifies this Council in supporting him fully in his efforts.

In particular, my Government fully concurs in General Burns' conclusion that the majority of the incidents set forth in his report before us may well be due to emotional tension following the action at Gaza on February 28. In circumstances such as these, General Burns has pointed out that incidents may often occur as a result of actions which give rise to apprehension of a coming attack. He has indicated, and we agree, that both sides must avoid any movements and activities which might reasonably cause forward troops to fear attack. In restating this position I do so to assure proper perspective for the complaints which we have before us.

In concurring with General Burns' first conclusion, my Government is not condoning the incidents which have occurred since Gaza, particularly those which involve the unhappy and needless loss of life. Far from it. These incidents demonstrate a lack of vigilance by local and governmental authorities which must be corrected. General Burns has said that it would appear that the actions for which Egypt has been condemned may be due to unofficial retaliation. We completely share and support his view that if the situation on the border is not to deteriorate further, such actions must be repressed by Egypt. This Council has made itself very clear on the point of retaliatory action. There is no justification, no matter what the cause, for retaliation, official or unofficial, by military or civilian personnel. As was clearly stated during consideration of the Gaza incident, and previously in this Council, retaliation, far from reducing tension along the border, only increases it.

Therefore, if tension is to be reduced as this Council has held it must—and as we assume both Egypt and Israel desire—the responsibility of

¹ Made in the U.N. Security Council on Apr. 19 (U.S./U.N. press release 2147). Mr. Key, Assistant Secretary for International Organization Affairs, spoke in his capacity as temporary U.S. representative in the Security Council.

² BULLETIN of Apr. 18, 1955, p. 662.

³ U.N. docs. S/3385 and S/3389.

⁴ U.N. doc. S/3390 and Add. 1.

APRIL 27, 1955

DEAR DR. HAMDANI: The United States Congress has now made available \$6,500,000 for a contribution to the United Nations Expanded Program for Technical Assistance.

Accordingly, I am pleased to inform you of a United States pledge to the 1955 technical assistance program of that amount. Payment of these funds to the United Nations will be made as soon as necessary action can be completed.

Sincerely yours,

HENRY CABOT LODGE, JR.

U.S. Delegations to International Conferences

Advisory Committee for Atomic Energy Conference

The U.S. Mission to the United Nations announced on April 28 (U.S./U.N. press release 2151) that the following have been designated by the U.S. Government to attend the second session of the Advisory Committee for the International Conference on the Peaceful Uses of Atomic Energy at Paris on May 23:

United States Representative

I. I. Rabi, Chairman of the General Advisory Committee to the U.S. Atomic Energy Commission, and Higgins Professor of Physics, Columbia University, New York, N.Y.

Advisers

Robert Charpie, Oak Ridge National Laboratory, U.S. Atomic Energy Commission, Oak Ridge, Tenn.

John A. Hall, Director, Office of International Affairs, U.S. Atomic Energy Commission, Washington, D.C.

William O. Hall, U.S. Mission to the United Nations, New York, N.Y.

Paul W. McDaniel, Office of International Conference, U. S. Atomic Energy Commission, Washington, D.C.

Howard A. Robinson, First Secretary, American Embassy, Paris

George L. Weil, Technical Director, Office of International Conference, U.S. Atomic Energy Commission, Washington, D.C.

8th Session, World Health Assembly

The Department of State announced on May 9 (press release 251) that the U. S. Government will be represented by the following delegation at the 8th session of the World Health Assembly convening at Mexico City on May 10:

the officials, military or civilian, in the Gaza area is clear. It is incumbent upon them to exercise the greatest diligence and to enforce, to the utmost, preventive action against those in the areas under their control who would violate the Demarcation Line. The Governments of Egypt and Israel must assume full responsibility for any failure on the part of those whom they charge with local enforcement to carry out their duties. The Governments of Egypt and Israel must realize that consideration and action in this Council will, *of itself*, neither remedy the present difficulties between them nor bring about the permanent peace in the Palestine area which they are bound to seek under the terms of their general armistice agreement.

We welcome the encouraging indications of progress which General Burns reports concerning his discussions with the two parties and the absence of incidents in the last few days. General Burns has indicated the importance he attaches to the institution of joint patrols, which he regards as the most urgent of his proposals. It is gratifying that we now have before us the agreement of one of the Governments for the immediate establishment of such patrols along the Demarcation Line, as proposed by the Chief of Staff. We trust that a similar expression of agreement will be forthcoming shortly from the other Government.

With good will and good faith on both sides, the discussions and cooperation which we have asked for in our March 30 resolution can lead to the restoration of order and tranquility along the Armistice Demarcation Line. The Governments of Egypt and Israel, as we see it, have the urgent obligation to work with and through General Burns to carry out the objective of our last resolution. For its part the United States Government stands ready to aid in any way possible in the attainment of success in these efforts.

U.S. Pledge to United Nations Technical Assistance Program

U.S./U.N. press release 2149 dated April 27

Following is the text of a letter from Henry Cabot Lodge, Jr., United States Representative to the United Nations, to V. A. Hamdani, chairman, Negotiating Committee for Extra-Budgetary Funds.

May 23, 1955

Delegates

Chester S. Keefer, M. D. (*Chairman*), Special Assistant for Health and Medical Affairs, Department of Health, Education, and Welfare

Charles W. Mayo, M. D., Chairman of Board of Governors, Mayo Clinic, Rochester, Minn.

Leonard A. Scheele, M. D., Surgeon General, Public Health Service, Department of Health, Education, and Welfare

Alternate delegates

Frederick J. Brady, M. D., International Health Representative, Division of International Health, Public Health Service, Department of Health, Education, and Welfare

Leroy E. Burney, M. D., Deputy Chief, Bureau of State Services, Department of Health, Education, and Welfare

Howard B. Calderwood, Specialist in International Organization, Office of International Economic and Social Affairs, Department of State

Martha M. Eliot, Chief, Children's Bureau, Department of Health, Education, and Welfare

Secretary of delegation

Edward L. Eberhardt, Office of International Conferences, Department of State

It is anticipated that there will also be congressional representation on this delegation.

The World Health Assembly is the supreme authority of the World Health Organization (WHO), a specialized agency of the United Nations. It meets in regular annual session and determines the policies of the Organization.

Besides reviewing the work of the WHO during 1954, the participants in the 8th World Health Assembly will review the program and budget of WHO for 1956; review reports on the business conducted by the Executive Board at its 14th and 15th sessions; and determine the scale of assessments for 1956. The report of the Executive Board for its 15th session contains a plan for WHO's participation in the International Conference on the Peaceful Uses of Atomic Energy which is to be held under the auspices of the United Nations at Geneva, August 8-20, 1955.

The Executive Board will hold its 16th session following the close of the 8th World Health Assembly.

1st Session, UNREF Executive Committee

The Department of State announced on May 9 (press release 252) that Christopher H. Phillips, Deputy Assistant Secretary of State for International Organization Affairs, will represent the U.S. Government at the 1st session of the U.N. Refugee Fund Executive Committee, which is to

be held at Geneva, Switzerland, May 9-13, 1955. Mr. Phillips will be assisted by two advisers: Edward W. Lawrence, Chief, Program Division, Office of Field Coordination, Escapee Program, Frankfurt, Germany; and Henry F. Nichol, Conference Attaché, Resident U.S. Delegation to International Organizations, Geneva, Switzerland.

The U.N. Refugee Fund (UNREF) Executive Committee is the successor to the U.N. High Commissioner's Advisory Committee on Refugees. By a resolution of December 3, 1949, the General Assembly of the United Nations created a High Commissioner's Office for Refugees to provide for the legal and political protection of refugees and displaced persons.¹

In 1951 an Advisory Committee on Refugees was created by the Economic and Social Council of the United Nations to advise the High Commissioner in the exercise of his functions. Action taken by the General Assembly and the Economic and Social Council during 1954 to authorize the High Commissioner to undertake an expanded program for the promotion of permanent solutions for the problems of refugees, as well as to make appeals for funds for the support of this program, made it imperative that a new body be created to maintain continuous review of that program or that the terms of reference and composition of the existing Advisory Committee be expanded. At its 19th session (March 29-April 7, 1955), the Economic and Social Council of the United Nations reconstituted the Advisory Committee as the U.N. Refugee Fund Executive Committee and adopted new terms of reference for the Committee.²

The provisional agenda for the forthcoming 1st session of the UNREF Committee contains the following items: election of officers, adoption of financial rules for voluntary contributions, approval of plan of operations, approval of projects for implementation, approval of plan of administrative expenditures, and the problem of Chinese refugees in Hong Kong.

The UNREF Executive Committee is composed of 20 members. Five were elected at the 19th session of the Economic and Social Council: Colombia, Greece, Iran, Netherlands, and Norway. The remaining 15 were members of the former Ad-

¹ BULLETIN of Dec. 19, 1949, p. 938.

² *Ibid.*, May 9, 1955, p. 784.

visory Committee: Australia, Austria, Belgium, Brazil, Denmark, Federal Republic of Germany, France, Israel, Italy, Switzerland, Turkey, United Kingdom, United States, Venezuela, and the Vatican.

20th Meeting, Caribbean Commission

The Department of State announced on May 9 (press release 254) that David McK. Key, Assistant Secretary of State for International Organization Affairs, has been designated by the Secretary of State under authorization of the President,² to serve as U.S. cochairman of the Caribbean Commission for its 20th meeting. The meeting will be held at San Juan, Puerto Rico, concurrent with the 6th session of the West Indian Conference, May 10-23, 1955. As chairman of the U.S. section of the Commission, and by virtue of the fact that the West Indian Conference and the 20th meeting of the Commission will be held on U.S. territory, Mr. Key will preside at both meetings.

The other commissioners who will attend the 20th meeting are:

Arturo Morales Carrion, Under Secretary of State, Commonwealth of Puerto Rico

Jose Trias Monge, Secretary of Justice, Commonwealth of Puerto Rico

David Victor Bornn, Vice President, Virgin Islands National Bank, St. Thomas, V.I.

The delegates who will attend the West Indian Conference from the Caribbean area will be designated by the local governments of Barbados, British Guiana, British Honduras, French Guiana, Guadeloupe, Jamaica, Leeward Islands, Martinique, Netherlands Antilles, Puerto Rico, Surinam, Trinidad, Tobago, Virgin Islands, and Windward Islands. The members of the U.S. section of the Caribbean Commission will attend the West Indian Conference as observers. The other three metropolitan governments of France, the Netherlands, and the United Kingdom will also be represented by observers.

The Caribbean Commission is an international advisory body resulting from expansion of the original Anglo-American Caribbean Commission. It serves to coordinate activities of the four member governments—France, Netherlands, the United Kingdom, and the United States—in their efforts to improve the economic and social well-being of Caribbean inhabitants.

² Executive Order 10609, 20 *Fed. Reg.* 3147.

The principal items for discussion at the 20th meeting of the Commission will be the work program and budget for 1956; the recommendations of the West Indian Conference and the Joint Conference on Education and Small-Scale Farming; progress reports on technical assistance projects; and proposals for the simplification of technical assistance procedures.

The West Indian Conferences, which are held under the auspices of the Caribbean Commission, consider means of improving social and economic conditions in the Caribbean territories and also serve as vehicles for consultation with and among the delegates of the non-self-governing territories.

Current U.N. Documents: A Selected Bibliography¹

Security Council

Letter Dated 25 January 1955 from the Representatives of the United Kingdom of Great Britain and Northern Ireland and the United States of America addressed to the President of the Security Council, Transmitting the Report on the Administration of the British-United States zone of the Free Territory of Trieste, 1 January to 31 December 1953. S/3353, January 26, 1955. 43 p. mimeo.

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Disarmament Commission

Note Verbale Dated 16 March 1955 from the Permanent Representative of India Addressed to the Secretary-General. DC/65, March 23, 1955. 1 p. mimeo.

¹ Printed materials may be secured in the United States from the International Documents Service, Columbia University Press, 2960 Broadway, New York 27, N.Y. Other materials (mimeographed or processed documents) may be consulted at certain designated libraries in the United States.

Economic and Social Council

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THE FOREIGN SERVICE

Confirmations

The Senate on May 9 confirmed James B. Conant to be Ambassador to the Federal Republic of Germany.

TREATY INFORMATION

Proposed Agreement With Turkey for Cooperation in Atomic Research

White House press releases dated May 3

The President on May 3 approved a proposed agreement between the Governments of the Republic of Turkey and the United States for cooperation in the field of research in the peaceful uses of atomic energy. The agreement is the first of its kind proposed under the provisions of the Atomic Energy Act of 1954 (Public Law 703, 83d Cong.).

At a White House ceremony on the same date, the agreement was initialed on behalf of their respective Governments by Melih Esenbel, Deputy Secretary-General of the Turkish Ministry of Foreign Affairs; Willard F. Libby, Acting Chairman of the Atomic Energy Commission; and George V. Allen, Assistant Secretary of State for Near Eastern, South Asian and African Affairs.

Following the initialing of the agreement, Secretary Dulles and the Turkish Ambassador, Feridun C. Erkin, exchanged notes of understanding. In the notes the United States Government expressed its readiness for continued cooperation with the Turkish Government in the important matter of training Turkish personnel both in the Atomic Energy Commission's unclassified reactor schools and in American universities.

Concluding the ceremonies, the President signed a letter to the Acting Chairman of the Atomic Energy Commission stating that the proposed agreement was found by the President to be one that would promote the defense and se-

curity of the United States. As required by the Atomic Energy Act of 1954, the proposed agreement will be submitted by the Atomic Energy Commission to the Joint Committee on Atomic Energy.¹

Under the proposed agreement the Atomic Energy Commission would lease to the Government of the Turkish Republic up to 6 kilograms of contained U-235 in uranium enriched up to a maximum of 20 percent U-235 and would release information necessary for the construction and operation of a research reactor in Turkey. The agreement would also provide for exchange of unclassified information in the research reactor field and on the use of radioactive isotopes in physical and biological research, medical therapy, agriculture, and industry. Under the agreement private American citizens and private organizations would be permitted to supply to the Turkish Government, or authorized persons under its jurisdiction, the necessary equipment and services in accordance with applicable regulations.

The agreement also indicates the expectation and hope of the United States for further discussions and agreements with respect to the production of power from atomic energy in Turkey.

The agreement contains, as required by the Atomic Energy Act, guaranties on the part of the Government of Turkey with respect to the use and safeguarding of the fissionable material supplied. The fissionable material to be made available under this agreement would be drawn from the 100 kilograms (220 pounds) of uranium 235 approved by the President for use in construction of small-scale research reactors and for other re-

¹ According to section 123 of P. L. 703, "No cooperation with any nation or regional defense organization . . . shall be undertaken until—

"a. the Commission or . . . the Department of Defense has submitted to the President the proposed agreement for cooperation, together with its recommendation thereon . . . ;

"b. the President has approved and authorized the execution of the proposed agreement for cooperation, and has made a determination in writing that the performance of the proposed agreement will promote and will not constitute an unreasonable risk to the common defense and security; and

"c. the proposed agreement for cooperation, together with the approval and the determination of the President, has been submitted to the Joint Committee and a period of thirty days has elapsed while Congress is in session. . . ."

May 23, 1955

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search purposes in foreign countries as a part of the United States' atoms-for-peace program.

STATEMENT BY THE PRESIDENT¹

On the recommendation of the Atomic Energy Commission, I am glad to approve this proposed agreement between the Republic of Turkey and the United States for cooperation in the unclassified scientific study of atomic energy and development of its peaceful uses.

This historic occasion signalizes the completion of negotiations for the first agreement for cooperation in the peaceful uses of atomic energy under the new Atomic Energy Act. It is another example of the vision of the Congress in enacting this law to meet the needs for peaceful atomic development at home and abroad. This occasion also marks another among the many instances of friendly exchange and mutual cooperation between our two nations.

Over a year ago President Bayar of Turkey when visiting the United States made specific reference to the atoms-for-peace program and stated that "we who are dedicated to the security of the free world have no choice but to give this plan our total endorsement." The initialing of this proposed agreement marks the first major step in a new field of United States-Turkish cooperation which gives promise of wide benefits to mankind. It augments the many evidences of mutual trust and teamwork in scientific and technical development such as the educational and other training programs we have carried on with Turkey for several years.

The proposed agreement will promptly be sent to the Joint Committee on Atomic Energy of the Congress as required by the Atomic Energy Act of 1954.

Current Actions

MULTILATERAL

Copyright

Convention on literary and artistic copyright (Fourth International Conference of American States). Signed

¹ Made at the White House on May 3 following the initialing of the proposed agreement with Turkey for cooperation in atomic research.

at Buenos Aires August 11, 1910. Entered into force October 31, 1912. 38 Stat. 1785.

Ratification deposited: Chile, March 14, 1955.

Meteorology

Convention of the World Meteorological Organization. Dated at Washington October 11, 1947. Entered into force March 23, 1950. TIAS 2052.

Notification by Egypt and the United Kingdom of extension to: Anglo-Egyptian Sudan, April 13, 1955.

North Atlantic Treaty

Agreement on status of the North Atlantic Treaty Organization, national representatives and international staff. Done at Ottawa September 20, 1951. Entered into force May 18, 1954. TIAS 2992.

Signature: Greece, May 6, 1955.

BILATERAL

Belgium

Agreement amending Annex B of the mutual defense assistance agreement of January 27, 1950, as amended (TIAS 2010 and 2878). Effected by exchange of notes at Brussels April 4 and 25, 1955. Entered into force April 25, 1955.

Bolivia

Agreement extending agreement for a cooperative program of agriculture dated June 13 and 18, 1952 (TIAS 2483). Effected by exchange of notes at La Paz February 25 and March 3, 1955.

Entered into force: March 18, 1955 (date of a corresponding extension of the operational agreement).

Agreement extending agreement providing for a cooperative education program signed November 22, 1950 (TIAS 2364). Effected by exchange of notes at La Paz February 25 and March 3, 1955.

Entered into force: March 18, 1955 (date of a corresponding extension of the operational agreement).

Agreement extending agreement providing for a cooperative health program dated September 18 and October 7, 1950 (TIAS 2191). Effected by exchange of notes at La Paz February 25 and March 3, 1955.

Entered into force: March 18, 1955 (date of a corresponding extension of the operational agreement).

Brazil

Agreement extending agreements for a cooperative health program dated December 27, 1950 (TIAS 2247) and March 14, 1942 (57 Stat. 1322). Effected by exchange of notes at Rio de Janeiro January 7 and February 8, 1955. Entered into force February 8, 1955.

Chile

Agreement relating to duty-free entry and defrayment of inland transportation charges on relief supplies and packages. Effected by exchange of notes at Santiago April 5, 1955. Entered into force April 5, 1955.

India

Parcel post agreement, with detailed regulations. Signed at New Delhi July 29, 1954, by the Director General of Posts and Telegraphs of India and at Washington September 17, 1954, by the United States Postmaster General. Approved and ratified by the President November 1, 1954.

Entered into force: January 1, 1955 (date mutually agreed upon).

Mexico

Agreement accepting recommendations of the Joint Migratory Labor Commission regarding migratory workers. Effected by exchange of notes at Mexico April 14, 1955. Entered into force April 14, 1955.

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No.	Date	Subject
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252	5/9	U.N. Refugee Fund Committee (rewrite).
*253	5/9	Death of Walton C. Ferris.
254	5/9	Caribbean Commission (rewrite).
†255	5/10	Waugh: U.S. foreign economic policy.
256	5/10	Anniversary of Rumanian Independence.
257	5/10	Tripartite note on 4-power meeting.
258	5/10	Japanese vested assets.
†259	5/11	Foreign Relations volume.
†260	5/11	Chinese Communist attack on U.S. jets.
†261	5/11	Wadsworth: Soviet disarmament proposals.
†262	5/12	Phleger: regime of the high seas.
263	5/13	Washington visit of NATO representatives (rewrite).
†264	5/13	Cale: "Coffee in Inter-American Relations."
†265	5/13	Disarmament Commission documents.

*Not printed.

†Held for a later issue of the BULLETIN.

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